

unemployment relief during the coming biennial; to the Committee on Appropriations.

236. Also, memorial of the Legislature of the State of Oregon, urging the passage by Congress of a bill vesting in a Federal agency authority to investigate, control, and regulate the American Telephone & Telegraph Co., and providing that the information obtained by such agency be made available to the States to aid the latter in determining rates, charges, and services to be charged and collected from the ratepayer; to the Committee on Interstate and Foreign Commerce.

237. By Mr. O'CONNOR: Resolution of the Legislature of the State of New York, that it is the sense of the people of the State of New York, represented in senate and assembly, that the Government of the United States, through its Department of State, should use its best diplomatic efforts in an attempt to persuade the German Government to desist from any further outrages and persecutions against Jews and other minorities in Germany; to the Committee on Foreign Affairs.

238. Also, resolution of the Legislature of the State of New York, urging legislation to prohibit appointments of banking institutions as receivers in bankruptcy proceedings; to the Committee on the Judiciary.

239. By Mr. O'MALLEY: Memorial from the Legislature of the State of Wisconsin, urging the Congress of the United States to make immediate provision for the issuance of \$13,000,000,000 in currency to finance necessary public works and to make loans to farmers and to liquidate frozen assets so as to restore economic recovery by providing work for unemployed, liquidating frozen assets, and freeing farmers, business men, and home owners from the imminent dangers of foreclosure and dispossession; to the Committee on Banking and Currency.

240. By Mr. REID of Illinois: Petition from about 400 persons residing in and near Aurora, Ill., opposing the ratification of the treaty between the United States and Canada for the construction of the St. Lawrence waterway; to the Committee on Rivers and Harbors.

241. By Mr. RUDD: Petition of Society of Park Engineers of New York, Brooklyn Chapter, favoring the passage of the Wagner bill (S. 5609—72d Cong.); to the Committee on Banking and Currency.

242. By Mr. SMITH of West Virginia: Memorial of the Legislature of West Virginia, memorializing Congress to pass a bill providing for the refinancing of farm mortgages; to the Committee on Banking and Currency.

243. Also, memorial of the Legislature of West Virginia, relating to apportionment of Federal funds to national forests in West Virginia; to the Committee on Agriculture.

244. By Mr. TAYLOR of Colorado: Memorial of Twenty-ninth General Assembly of the State of Colorado, requesting of the President of the United States the appointment of Hon. John T. Barnett, of Colorado, as Attorney General of the United States; to the Committee on the Judiciary.

245. By Mr. WOLVERTON: Petition of Jewish organizations in the city of Camden, N.J., protesting against the policy of Germany in establishing an anti-Jewish program; to the Committee on Foreign Affairs.

246. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States to issue \$13,000,000,000 in currency to finance necessary public works and to make loans to farmers and to liquidate frozen assets; to the Committee on Banking and Currency.

247. By the SPEAKER: Petition of Samuel Lyman, requesting that the examiner of patents be required to fully set forth his reasons for not granting his design; to the Committee on Patents.

248. Also, petition of the Council of Milwaukee, advocating the issue of national currency to municipalities on the pledge of their bonds; to the Committee on Banking and Currency.

249. Also, petition of the Council of Laguna Beach, Calif., advocating the issue of national currency to municipalities

on the pledge of their bonds; to the Committee on Banking and Currency.

250. Also, petition of Agnes Gliwa, relative to a seaway from the Great Lakes to the Chesapeake through Pittsburgh; to the Committee on Interstate and Foreign Commerce.

SENATE

THURSDAY, MARCH 30, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the bill (S. 598) for the relief of unemployment through the performance of useful public work, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H.J.Res. 121) to provide for the acceptance of sums donated for the construction of a swimming-exercise tank for the use of the President, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Keyes	Reynolds
Ashurst	Costigan	King	Robinson, Ark.
Austin	Couzens	La Follette	Robinson, Ind.
Bachman	Dickinson	Lewis	Russell
Bailey	Dieterich	Logan	Schall
Bankhead	Dill	Loneragan	Sheppard
Barbour	Duffy	Long	Shipstead
Barkley	Erickson	McAdoo	Smith
Black	Fess	McCarran	Steiwer
Bone	Fletcher	McGill	Stephens
Borah	Frazier	McKellar	Thomas, Okla.
Brown	George	McNary	Thomas, Utah
Bulkley	Goldsborough	Metcalf	Townsend
Bulow	Gore	Murphy	Trammell
Byrd	Hale	Neely	Tydings
Byrnes	Harrison	Norbeck	Vandenberg
Capper	Hatfield	Norris	Van Nuys
Caraway	Hayden	Nye	Wagner
Carey	Hebert	Overton	Walcott
Clark	Johnson	Patterson	Walsh
Connally	Kean	Pittman	Wheeler
Coolidge	Kendrick	Pope	White

Mr. BLACK. I desire to announce that the Senator from New Mexico [Mr. BRATTON] is necessarily absent.

Mr. HEBERT. I wish to announce that the junior Senator from Pennsylvania [Mr. DAVIS] is still detained from the Senate by illness.

I also desire to announce the necessary absence of the Senator from Vermont [Mr. DALE], the Senator from Pennsylvania [Mr. REED], the Senator from New Mexico [Mr. CURTING], and the Senator from Delaware [Mr. HASTINGS].

Mr. BYRD. I wish to announce that my colleague the senior Senator from Virginia [Mr. GLASS] is unavoidably detained. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

RELIEF OF UNEMPLOYMENT

Mr. WALSH. I ask the Chair to lay before the Senate the amendments of the House of Representatives to Senate bill 598.

The VICE PRESIDENT laid before the Senate the amendments of the House to the bill (S. 598) for the relief of unemployment through the performance of useful public

work, and for other purposes, which were on page 2, line 25, after "employment", to insert "That in employing citizens for the purposes of this act no discrimination shall be made on account of race, color, or creed; and no person under conviction for crime and serving sentence therefor shall be employed under the provisions of this act"; on page 3, line 11, after "acquire", to insert "real property"; and on page 3, line 12, after "otherwise", to strike out down to and including "Government" in line 13.

Mr. WALSH. I move that the Senate concur in the House amendments.

Mr. VANDENBERG. Mr. President, may I inquire if a House amendment runs counter to the amendment submitted by my colleague the senior Senator from Michigan [Mr. COUZENS] in respect to the use of funds for the purchase of land?

Mr. WALSH. Yes; it does.

Mr. VANDENBERG. Can the Senator state whether that amendment has been brought to the attention of my colleague and whether he is satisfied with it?

Mr. WALSH. I have talked with the Senator's colleague, and he does not object to concurrence in the House amendments.

Mr. BLACK. I ask to have the amendments of the House again read.

The VICE PRESIDENT. They will be again read.

(The Chief Clerk again read the amendments of the House.)

The VICE PRESIDENT. The question is on agreeing to the amendments of the House.

The amendments were agreed to.

FUNCTIONS OF COLUMBIA INSTITUTION FOR THE DEAF (S.DOC. NO. 9)

The VICE PRESIDENT laid before the Senate a letter from the president of the Columbia Institution for the Deaf, reporting, in accordance with Senate Resolution 351, Seventy-second Congress, relative to the functions and activities conducted under the jurisdiction of the institution, the statutory authority therefor, and the total annual expenditures therein for the fiscal year ended June 30, 1932, which, with the accompanying papers, was ordered to lie on the table and to be printed.

TARIFF BARGAINING UNDER MOST-FAVORED-NATION TREATIES (S.DOC. NO. 7)

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the United States Tariff Commission, transmitting a report, in response to paragraphs 10 and 11 of Senate Resolution 325, Seventy-second Congress, dealing with tariff bargaining under conditional and unconditional most-favored-nation treaties, and containing an annotated list of the commercial treaties and agreements of the United States now in force, and also lists of all international treaties in force on January 1, 1933, pledging most-favored-nation treatment in the matter of customs, which, with the accompanying papers, was referred to the Committee on Finance and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by a mass meeting of citizens at Waco, McLennan County, Tex., pledging support to the President in this time of national emergency and favoring the cooperation of the State of Texas in the plan to raise revenue from the sale of beverages of alcoholic content within the constitutional limits fixed by the Congress, etc., which were ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Common Council of the City of Norwich, Conn., favoring the passage of legislation authorizing the Postmaster General to issue a special series of postage stamps of the denomination of 3 cents, commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment as brevet brigadier general of the Continental Army on October 13, 1783, of Thaddeus Kosciuszko, which was referred to the Committee on Post Offices and Post Roads.

Mr. HALE presented a telegram embodying a resolution adopted by a mass meeting of over 500 Jews and Christians at Bangor, Me., protesting against intolerance directed against and the persecution of persons of Jewish faith in Germany, which was referred to the Committee on Foreign Relations.

Mr. COPELAND presented resolutions adopted by members of Court Independence, No. 123, Foresters of America, New York City, N.Y., endorsing the conservation and reforestation program sponsored by the President, which were ordered to lie on the table.

He also presented resolutions adopted by Bensonhurst Lodge, No. 509, Knights of Pythias, of Brooklyn; the Petofi Society, of New York; the Ferndale-Swan Lake Citizens League, of Ferndale; the West Bronx Democratic Club, of the Bronx; the rabbi, members, officers and trustees of the Congregation Shaari Israel of Brooklyn; the Nonpareil Social and Athletic Club, of Brooklyn; the board of governors of the Sixth Assembly District Republican Club, of Brooklyn; the Bensonhurst Board of Trade, of Brooklyn; the Men's Club of Temple Beth-El, of Rockaway Park; Monticello Lodge, No. 585, Knights of Pythias, of Monticello; the Criterion Club, of Yonkers; the First Independent Sick and Benevolent Association; and the First Independent Bikor Cholem, of Rockaway Beach, all in the State of New York, protesting against the intolerance directed against and the persecution of persons of Jewish faith in Germany, which were referred to the Committee on Foreign Relations.

TREATMENT OF THE JEWS IN GERMANY

Mr. McKELLAR. Mr. President, I present a resolution of the lower house of the Legislature of Tennessee, and I take pleasure in asking unanimous consent that it may be printed in the RECORD and appropriately referred. The resolution deals with the question of the treatment of Jews in Germany.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

House Resolution 40 (by Fletcher Cohn)

Whereas there has appeared in the daily press stories concerning the reprehensible conduct of the present German Government against members of the Jewish faith; and

Whereas Adolph Hitler, the present ruler of Germany, has announced on innumerable occasions that part of his program is to deny any rights of citizenship to members of the Jewish faith, and there is reliable information to the effect that Jewish professional men are not allowed to practice their professions; and

Whereas many of the outstanding men of Germany subscribe to the tenets of Judaism, and that through the genius displayed by such men as Albert Einstein, Leon Feuchtwanger, Dr. Wassermann, Emil Ludwig, Bruno Walther, and other Jews of world renown Germany has achieved a place among the leading nations of the world; and

Whereas the Constitution of the State of Tennessee, as well as the Constitution of the United States, demands religious freedom and prohibits any discrimination on account of religious beliefs; and

Whereas men of the Jewish faith have taken a leading part in the development of our country and have always shown themselves to be loyal citizens, and have filled high places with honor and distinction; and

Whereas we of Tennessee have always abhorred any form of oppression and injustice: Therefore be it

Resolved by the House of Representatives of the State of Tennessee, That it goes on record as protesting the improper and unjustifiable discrimination shown by Adolph Hitler and his government toward the Jewish people of Germany; be it further

Resolved, That the House of Representatives of Tennessee implores those in power in liberty-loving America to protest to the German Government its unfair attitude for those of its citizens who ascribe to the Jewish faith; be it further

Resolved, That a copy of this resolution be spread upon the journal of this house and that copies of it likewise be sent to the two United States Senators representing the State of Tennessee in the Congress of the United States.

Adopted March 27, 1933.

FRANK MOORE,

Speaker of the House of Representatives.

AGRICULTURAL RELIEF

Mr. SCHALL. Mr. President, I ask leave to have published in the RECORD and referred to the Committee on Agriculture and Forestry a wire which I have received from

the Farmers' Elevator Association of Minnesota in reference to the farm relief bill.

There being no objection, the telegram was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

HON. THOMAS D. SCHALL,
United States Senator:

MINNEAPOLIS, MINN.

Believe rank and file of dirt farmers, who were ignored in preparation pending farm relief bill, are opposed to this kind of legislation. Farm-organization officers who inspired measure do not speak for agriculture as whole. Same men supported Agricultural Marketing Act, which proved ruinous to farmers, and several of their organizations still owe tremendous sums borrowed from Farm Board. Yet these men are still permitted to shape legislation to the exclusion of several organizations of farmers with long and successful experience in marketing. This association, composed of farmers' cooperative elevators with approximately 90,000 farmer stockholders and patrons, has repeatedly condemned legislation of this type. This year resolutions included the following:

"Resolved, That Congress be requested to desist from further interference with the marketing of our agricultural products."

At same time association resolved in favor of refinancing farm mortgages at low interest. Believe majority of farmers favor legislation of this kind but oppose sweeping and experimental measures such as that now pending. Farmers tired of experiments. We feel it unfair and unjust to adopt this or any other farm measure without giving all worthy farm leaders opportunity to speak, and respectfully ask this privilege. Also respectfully ask that this telegram be read on the floor of Senate and House and placed in CONGRESSIONAL RECORD.

FARMERS' ELEVATOR ASSOCIATION OF MINNESOTA,
By A. F. NELSON, Secretary.

MORATORIUM ON FORECLOSURES

Mr. SCHALL. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a letter which I have received in reference to a moratorium on the foreclosure of mortgages on small homes and farms.

There being no objection, the letter was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

MINNEAPOLIS, MINN., March 20, 1933.

Senators SCHALL and SHIPSTEAD,
Washington, D.C.

GENTLEMEN: I am writing you in regard to a notice which I saw in one of our local newspapers. This notice states that Representative WILLIAM T. SCHULTE, of Indiana, is preparing a bill for a 2-year moratorium on foreclosures of small home and farm mortgages with the object in view of giving such home and farm owners a chance to recover from the depression and save their property.

I wish to call your attention to another class of home and farm buyers who have bought on "contract for deed" and who in many cases have a good-sized interest in their prospective homes which should not be allowed to be wiped out simply because the buyer is hard pressed for a short time.

I am one of the intended victims in this class of home buyers. Three years ago I bought a small farm by the contract method. I made a substantial down payment and was to pay the balance at the rate of \$40 per month. Shortly after buying the place the cesspool filled up, so I put in a septic sewage system; then the roof leaked, so I put on a new roof; then I built a barn and poultry house and cleared some acreage of stumps and got it ready to crop. All told, I put in about \$1,800 in improvements of this kind, including fencing of the land.

About a year ago I lost my job in the city, from which I was getting the money to make these improvements and meet payments. During the time I was out of work the man I bought from kept saying to not worry about payments but to keep on with the place, that he was willing to wait for his pay until I got work again. Now I have recently started working at a much lower wage and the seller is now demanding that I pay up all arrears immediately.

He has another party who wants the place with the improvements that I have put on it, and I believe his plan is to force me off by cancellation of the contract and sell to this other party.

I am only about \$250 behind in my payments and would pay it up within a year or so if given a chance, but if he is allowed to cancel now I am not in position to raise even the \$250, and for that reason would lose about \$3,000 to \$3,500 which I have already put into the place, and my family will be forced out, with no home.

There are undoubtedly thousands of others in just the same predicament that I am in. We are willing to do our best, and in nearly every case we can and will pay for our places if given a little time, but if the sellers of these small homes and farms are to be allowed to force us out and take all we have, they will undoubtedly do it, no matter how morally wrong such an act would be. All the seller can see is his own personal gain. He sees in my case the \$3,000 which I have in here as just so much added profit for himself regardless of what may become of us.

I am writing to you in hopes that you will immediately use all your power to include the contract buyers and put through this 2-year moratorium on contracts and mortgages so that those of us who are in this trouble can have time enough to save our homes. We can save them if given 2 years, but I am sure most of us will lose them if cancellations and foreclosures are allowed to proceed unhindered.

Thanking you most kindly for any assistance you can proffer, I beg to remain,

Respectfully yours,

S. A. TWITCHELL.

REPORTS OF COMMITTEES

Mr. TYDINGS, from the Committee on the District of Columbia, to which was referred the bill (H.R. 3342) to provide revenue for the District of Columbia by the taxation of beverages, and for other purposes, reported it with an amendment and submitted a report (No. 12) thereon.

Mr. HAYDEN, from the Committee on Mines and Mining, to which was referred the bill (S. 7) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, reported it with an amendment and submitted a report (No. 13) thereon.

Mr. BLACK, from the Committee on the Judiciary, to which was referred the bill (S. 158) to prevent interstate commerce in certain commodities and articles produced or manufactured in industrial activities in which persons are employed more than 5 days per week or 6 hours per day, reported it with amendments and submitted a report (No. 14) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. LA FOLLETTE:

A bill (S. 881) granting a pension to Marcella Kostermann (with accompanying papers); to the Committee on Pensions.

By Mr. TRAMMELL:

A bill (S. 883) for the relief of Lyman D. Drake, Jr.; to the Committee on Claims.

A bill (S. 884) to authorize the Secretary of the Navy to proceed with the construction of certain public works; to the Committee on Naval Affairs.

By Mr. COPELAND:

A bill (S. 885) to regulate commerce in firearms; to the Committee on Commerce.

By Mr. DILL and Mr. BONE:

A bill (S. 886) to provide for the construction, operation, and maintenance of the Columbia Basin project in Washington, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. BONE:

A bill (S. 887) for the relief of Lucy B. Hertz and J. W. Hertz; and

A bill (S. 888) for the relief of Grant A. McNeal; to the Committee on Claims.

A bill (S. 889) granting a pension to Ida R. Haynes; and

A bill (S. 890) extending the provisions of the pension laws relating to Indian war veterans to Capt. H. M. Hodgins' company, and for other purposes; to the Committee on Pensions.

By Mr. ROBINSON of Indiana:

A bill (S. 891) granting compensation to the widow and minor children of Francis C. Oxley; and

A bill (S. 892) granting compensation to the widow and minor children of Lloyd B. Tupper; to the Committee on Finance.

A bill (S. 893) for the relief of James M. Blankenship;

A bill (S. 894) for the relief of Charles E. Dern;

A bill (S. 895) for the relief of Thomas J. Gardner;

A bill (S. 896) for the relief of James Tulley Hazel;

A bill (S. 897) for the relief of Michael Marley;

A bill (S. 898) for the relief of Louis Martin;

A bill (S. 899) for the relief of Frederick Sparks;

A bill (S. 900) for the relief of Willard Thompson, deceased; and

A bill (S. 901) for the relief of James W. True; to the Committee on Military Affairs.

A bill (S. 902) granting a pension to Mary Jane Adams;

- A bill (S. 903) granting a pension to Martha E. Atcheson;
 A bill (S. 904) granting a pension to Jane Baile;
 A bill (S. 905) granting a pension to Ellen Mullis Baker;
 A bill (S. 906) granting a pension to Mary E. Beitzell;
 A bill (S. 907) granting a pension to Mary Bothwell;
 A bill (S. 908) granting a pension to James O. Boylan;
 A bill (S. 909) granting a pension to Lucinda J. Bright;
 A bill (S. 910) granting a pension to Mary J. Brooks;
 A bill (S. 911) granting a pension to Lewis C. Brookshire;
 A bill (S. 912) granting a pension to Frank Burcham;
 A bill (S. 913) granting a pension to Elizabeth Burris;
 A bill (S. 914) granting a pension to Armanella Caylor;
 A bill (S. 915) granting a pension to Agatha Cook;
 A bill (S. 916) granting a pension to Maggie Crist;
 A bill (S. 917) granting a pension to Mary B. Crumrine;
 A bill (S. 918) granting a pension to William A. Culiver;
 A bill (S. 919) granting a pension to John A. Davis;
 A bill (S. 920) granting a pension to Roberta Davis (with accompanying papers);
 A bill (S. 921) granting a pension to Cyrus N. Deffendall;
 A bill (S. 922) granting a pension to Emma C. Fisher;
 A bill (S. 923) granting a pension to Harry Ross Foley;
 A bill (S. 924) granting a pension to Martha Foley;
 A bill (S. 925) granting a pension to Martha E. Goble;
 A bill (S. 926) granting a pension to Emma Grunden;
 A bill (S. 927) granting a pension to Charles E. Gullede;
 A bill (S. 928) granting a pension to Sarah Hamilton;
 A bill (S. 929) granting a pension to Carter Hayes;
 A bill (S. 930) granting a pension to Mary C. Heck;
 A bill (S. 931) granting a pension to Mary C. Heck;
 A bill (S. 932) granting a pension to Keturah P. Holt;
 A bill (S. 933) granting a pension to Elva A. Houk;
 A bill (S. 934) granting a pension to Fannie Howell;
 A bill (S. 935) granting a pension to Lincoln Hubster;
 A bill (S. 936) granting a pension to Sarah Hunter;
 A bill (S. 937) granting a pension to Lee Jordan;
 A bill (S. 938) granting a pension to Michael Kanyuch;
 A bill (S. 939) granting a pension to Martha J. McDowell;
 A bill (S. 940) granting a pension to Daniel J. McGrath;
 A bill (S. 941) granting a pension to James A. McMasters;
 A bill (S. 942) granting a pension to Nellie C. Manning;
 A bill (S. 943) granting a pension to Sarah E. Mattingly;
 A bill (S. 944) granting a pension to Albert R. Meeker;
 A bill (S. 945) granting a pension to Maud Melville;
 A bill (S. 946) granting a pension to Anna M. Mendel;
 A bill (S. 947) granting a pension to Edward Morgan;
 A bill (S. 948) granting a pension to Byron E. Murphy;
 A bill (S. 949) granting a pension to John Porter Naanes;
 A bill (S. 950) granting a pension to Lot Noe;
 A bill (S. 951) granting a pension to Laura A. Norman;
 A bill (S. 952) granting a pension to Grover C. Oberle;
 A bill (S. 953) granting a pension to Walter O'Connor;
 A bill (S. 954) granting a pension to Ellen J. Owen;
 A bill (S. 955) granting a pension to Ora Owens;
 A bill (S. 956) granting a pension to Elmer E. Oxendine;
 A bill (S. 957) granting a pension to Flora B. Parker;
 A bill (S. 958) granting a pension to Carrie D. Patton;
 A bill (S. 959) granting a pension to Amos B. Poling;
 A bill (S. 960) granting a pension to Jennie Pool;
 A bill (S. 961) granting a pension to Clarence Price;
 A bill (S. 962) granting a pension to Paul A. Randall;
 A bill (S. 963) granting a pension to Emily Rather;
 A bill (S. 964) granting a pension to Sarah A. Redens;
 A bill (S. 965) granting a pension to William H. Revelle;
 A bill (S. 966) granting a pension to John Reynolds;
 A bill (S. 967) granting a pension to Malissa J. Richey;
 A bill (S. 968) granting a pension to Mary J. Rosenbaum;
 A bill (S. 969) granting a pension to Lizzie Sarver;
 A bill (S. 970) granting a pension to Annie B. Schubert;
 A bill (S. 971) granting a pension to Mary E. Singer (with accompanying papers);
 A bill (S. 972) granting a pension to Roy Smith;
 A bill (S. 973) granting a pension to Stephen Sowinski;
 A bill (S. 974) granting a pension to Laura A. Spanswick (with accompanying papers);
 A bill (S. 975) granting a pension to William A. Spores;
 A bill (S. 976) granting a pension to Blanch T. Stephenson;
 A bill (S. 977) granting a pension to Mertena Swaidner;
 A bill (S. 978) granting a pension to Blanche Walker;
 A bill (S. 979) granting a pension to Josephine Ward;
 A bill (S. 980) granting a pension to Ella White;
 A bill (S. 981) granting a pension to Frank White;
 A bill (S. 982) granting a pension to Mary Wilkins;
 A bill (S. 983) granting a pension to Rosa A. Woodrum;
 A bill (S. 984) granting a pension to Lona Wright;
 A bill (S. 985) granting an increase of pension to Nathan Ain;
 A bill (S. 986) granting an increase of pension to Nancy Jane Albright;
 A bill (S. 987) granting an increase of pension to Rhoda A. Atkinson;
 A bill (S. 988) granting an increase of pension to Lucretia E. Aydelotte;
 A bill (S. 989) granting an increase of pension to Cynthia E. Ball;
 A bill (S. 990) granting an increase of pension to Armilda Banta;
 A bill (S. 991) granting an increase of pension to Hattie E. Barnett;
 A bill (S. 992) granting an increase of pension to Catharine Beach;
 A bill (S. 993) granting an increase of pension to Sara B. Brammer (with accompanying papers);
 A bill (S. 994) granting an increase of pension to Lucy T. Burns;
 A bill (S. 995) granting an increase of pension to Eliza A. Caster;
 A bill (S. 996) granting an increase of pension to Ann M. Cook;
 A bill (S. 997) granting an increase of pension to Gertrude Cox;
 A bill (S. 998) granting an increase of pension to Fanny Cunningham;
 A bill (S. 999) granting an increase of pension to Charlotte A. David;
 A bill (S. 1000) granting an increase of pension to Mahalia Davison;
 A bill (S. 1001) granting an increase of pension to Viola Dickinson (with accompanying papers);
 A bill (S. 1002) granting an increase of pension to Mary E. Doggett (with accompanying papers);
 A bill (S. 1003) granting an increase of pension to Sylvia Ann Dunn;
 A bill (S. 1004) granting an increase of pension to Rachel Ann Faris;
 A bill (S. 1005) granting an increase of pension to Mary Ferrell;
 A bill (S. 1006) granting an increase of pension to Amanda Fess;
 A bill (S. 1007) granting an increase of pension to Catharine Godby;
 A bill (S. 1008) granting an increase of pension to Samantha Haiston;
 A bill (S. 1009) granting an increase of pension to Rebecca H. Hall;
 A bill (S. 1010) granting an increase of pension to Alice Hamilton;
 A bill (S. 1011) granting an increase of pension to Elizabeth Hippenheimer;
 A bill (S. 1012) granting an increase of pension to Barbara Horine;
 A bill (S. 1013) granting an increase of pension to Elizabeth C. Hunter;
 A bill (S. 1014) granting an increase of pension to Rachel J. Johnson;
 A bill (S. 1015) granting an increase of pension to Rosanna Kellogg;
 A bill (S. 1016) granting an increase of pension to Lucy S. Kemp;
 A bill (S. 1017) granting an increase of pension to Anna O. Kirkpatrick;

A bill (S. 1018) granting an increase of pension to Dora Klinger;

A bill (S. 1019) granting an increase of pension to Athelia P. Land;

A bill (S. 1020) granting an increase of pension to Eliza Landers;

A bill (S. 1021) granting an increase of pension to Mahala Leazenby;

A bill (S. 1022) granting an increase of pension to Elizabeth J. Lister;

A bill (S. 1023) granting an increase of pension to Permelia J. Long;

A bill (S. 1024) granting an increase of pension to Sarah A. Long;

A bill (S. 1025) granting an increase of pension to Lucinda Luse;

A bill (S. 1026) granting an increase of pension to Neta Lyle;

A bill (S. 1027) granting an increase of pension to Ida A. McDowell;

A bill (S. 1028) granting an increase of pension to Robert J. McPherson;

A bill (S. 1029) granting an increase of pension to Margaret McWilliams;

A bill (S. 1030) granting an increase of pension to Celia J. McKinley;

A bill (S. 1031) granting an increase of pension to Catharine D. Manning;

A bill (S. 1032) granting an increase of pension to Amanda E. Martin;

A bill (S. 1033) granting an increase of pension to Rachel N. Martin;

A bill (S. 1034) granting an increase of pension to Nancy Maskel;

A bill (S. 1035) granting an increase of pension to Mary S. Miller (with accompanying papers);

A bill (S. 1036) granting an increase of pension to Thomas Miller;

A bill (S. 1037) granting an increase of pension to Emily J. Moore;

A bill (S. 1038) granting an increase of pension to Mira B. Morse;

A bill (S. 1039) granting an increase of pension to Mary P. Noble;

A bill (S. 1040) granting an increase of pension to Virginia Parker;

A bill (S. 1041) granting an increase of pension to Georganna Phillinger;

A bill (S. 1042) granting an increase of pension to Lena E. Powell;

A bill (S. 1043) granting an increase of pension to Rosa G. Presnell;

A bill (S. 1044) granting an increase of pension to Martha A. Pyle;

A bill (S. 1045) granting an increase of pension to Marion B. Ridgate;

A bill (S. 1046) granting an increase of pension to Frances M. Robinson;

A bill (S. 1047) granting an increase of pension to Edith Ross;

A bill (S. 1048) granting an increase of pension to Harry G. Ross;

A bill (S. 1049) granting an increase of pension to Reuben Samson;

A bill (S. 1050) granting an increase of pension to Cad W. Savage;

A bill (S. 1051) granting an increase of pension to Sarah E. Saxton;

A bill (S. 1052) granting an increase of pension to Nancy J. Sebring;

A bill (S. 1053) granting an increase of pension to Margaret J. Shaw;

A bill (S. 1054) granting an increase of pension to Amelia Sheets;

A bill (S. 1055) granting an increase of pension to Nancy M. Smith;

A bill (S. 1056) granting an increase of pension to Malinda Sprague;

A bill (S. 1057) granting an increase of pension to Olleatha Stites;

A bill (S. 1058) granting an increase of pension to Mary A. Templeton;

A bill (S. 1059) granting an increase of pension to Elzena Troxell;

A bill (S. 1060) granting an increase of pension to Achsa Tyler;

A bill (S. 1061) granting an increase of pension to Louisa J. Wagner;

A bill (S. 1062) granting an increase of pension to Sarah J. Washburn;

A bill (S. 1063) granting an increase of pension to Ella F. Webster;

A bill (S. 1064) granting an increase of pension to Elizabeth Wesley; and

A bill (S. 1065) granting an increase of pension to Ada F. Williams; to the Committee on Pensions.

By Mr. BARBOUR:

A bill (S. 1066) relating to contracts for the erection or alteration of public buildings; to the Committee on the District of Columbia.

By Mr. BAILEY:

A bill (S. 1067) authorizing adjustment of the claim of the Adelpia Bank & Trust Co.;

A bill (S. 1068) authorizing adjustment of the claim of the B. & O. Manufacturing Co.;

A bill (S. 1069) authorizing adjustment of the claim of the Chicago, North Shore & Milwaukee Railroad Co.;

A bill (S. 1070) for the relief of J. R. Collie and Eleanor Y. Collie;

A bill (S. 1071) for the relief of Lawrence S. Copeland;

A bill (S. 1072) for the relief of Rufus J. Davis;

A bill (S. 1073) for the relief of E. Walter Edwards;

A bill (S. 1074) authorizing adjustment of the claims of John T. Lennon and George T. Flora;

A bill (S. 1075) for the relief of Walter Thomas Foreman;

A bill (S. 1076) authorizing adjustment of the claim of the Franklin Surety Co.;

A bill (S. 1077) for the relief of Lueco R. Gooch;

A bill (S. 1078) for the relief of Mrs. Asa Caswell Hawkins;

A bill (S. 1079) authorizing adjustment of the claim of Francis B. Kennedy;

A bill (S. 1080) for the relief of Charles L. Kee;

A bill (S. 1081) for the relief of McKimmon & McKee, Inc.;

A bill (S. 1082) authorizing adjustment of the claim of the Pennsylvania Railroad Co.;

A bill (S. 1083) authorizing adjustment of the claim of the Potomac Electric Power Co., of Washington, D.C.;

A bill (S. 1084) authorizing adjustment of the claim of the Public Service Coordinated Transport, of Newark, N.J.;

A bill (S. 1085) authorizing adjustment of the claim of Schutte & Koerting Co.;

A bill (S. 1086) authorizing adjustment of the claim of Frank Spector;

A bill (S. 1087) authorizing adjustment of the claim of William T. Stiles;

A bill (S. 1088) authorizing adjustment of the claim of White Bros. & Co. (with accompanying papers); and

A bill (S. 1089) for the relief of James R. Young; to the Committee on Claims.

By Mr. PATTERSON:

A bill (S. 1090) granting a pension to Gertrude Storck; to the Committee on Pensions.

A bill (S. 1091) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claims of Edward F. Goltra against the United States arising out of the taking of certain vessels and unloading apparatus; to the Committee on the Judiciary.

REGULATION OF SALE OF FOREIGN SECURITIES

Mr. JOHNSON. Mr. President, I ask unanimous consent to introduce a bill for reference to the Judiciary Committee.

I wish to say in connection with it that the bill relates to the endeavor to protect American citizens from the sale of foreign securities under circumstances where those securities could not be sold in our country. There is no design in its presentation to interfere in the slightest degree with the bill that yesterday was introduced by the Senator from Arizona [Mr. ASHURST], because I am very enthusiastically in favor of that measure. However, I want to have before the Judiciary Committee, when the bill of the Senator from Arizona is there pending, this measure which in detail concerns a cognate subject. So I introduce the bill and ask its reference to the Judiciary Committee.

The bill (S. 882) to provide for the more effective supervision of foreign commercial transactions, and for other purposes, was read twice by its title and referred to the Committee on the Judiciary.

REVENUE FROM BEVERAGES IN THE DISTRICT—AMENDMENT

Mr. WALSH submitted an amendment intended to be proposed by him to the bill (H.R. 3342) to provide revenue for the District of Columbia by the taxation of beverages, and for other purposes, which was ordered to lie on the table and to be printed.

THE WORLD COURT—RESERVATION PERTAINING TO INEQUALITIES BASED ON SEX

Mr. NYE submitted a proposed reservation to the resolution of adherence on the part of the United States to the protocol of signature of the statute for the Permanent Court of International Justice, which was referred to the Committee on Foreign Relations and ordered to be printed.

HEARINGS BEFORE THE COMMITTEE ON NAVAL AFFAIRS

Mr. TRAMMELL submitted the following resolution (S.Res. 50), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Naval Affairs, or any subcommittee thereof, is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost of not exceeding 25 cents per 100 words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE THE COMMITTEE ON RULES

Mr. COPELAND submitted the following resolution (S.Res. 51), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Rules, or any subcommittee thereof, is authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

HEARINGS BEFORE COMMITTEE ON PRIVILEGES AND ELECTIONS

Mr. GEORGE submitted the following resolution (S.Res. 52), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Privileges and Elections, or any subcommittee thereof, be, and hereby is, authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE COMMITTEE ON MINES AND MINING

Mr. LOGAN submitted the following resolution (S.Res. 53), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Mines and Mining, or any subcommittee thereof, hereby is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof

to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

Mr. CONNALLY submitted the following resolution (S.Res. 54), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Public Buildings and Grounds, or any subcommittee thereof, is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

A NATIONAL PLAN FOR AMERICAN FORESTRY

Mr. COPELAND. Mr. President, I ask that the Chair may lay before the Senate a report which has been received from the Secretary of Agriculture.

The PRESIDING OFFICER (Mr. RUSSELL in the chair) laid before the Senate a letter signed by the Secretary and the Assistant Secretary of Agriculture, transmitting, in response to Senate Resolution 175, Seventy-second Congress, relative to the practicability of Federal aid to States in utilization of lands suitable for forestation, a national plan for American forestry—in five volumes.

Mr. COPELAND. Mr. President, a year ago the Senate adopted a resolution, which I presented, asking the Bureau of Forestry to make an elaborate report on what could be accomplished in the way of reforestation. In response to that resolution the Chief of the Bureau of Forestry has sent a report to the Presiding Officer of the Senate. I ask unanimous consent that the report may be referred to the Committee on Printing. I make this request in the hope that the committee will find out what the cost may be of printing the report as a public document. In my opinion, it is very important now, in view of what we have done by the passage of the reforestation bill, that the material which has been collected with such care and which is so valuable should be made available. Therefore I ask unanimous consent that the report may be referred to the Committee on Printing, with the request of the Senate that an estimate be made as to the cost of printing the report as a public document.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the report will be referred to the Committee on Printing.

RELIEF OF DESTITUTION

Mr. WAGNER. Mr. President, I move that the Senate proceed to the consideration of Senate bill 812, providing for the relief of destitution.

The motion was agreed to, and the Senate proceeded to consider the bill (S. 812) to provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes, which had been reported from the Committee on Banking and Currency with amendments.

The VICE PRESIDENT. The bill will be read for action on the amendments of the committee.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Banking and Currency was, on page 5, line 1, after the word "monthly", to strike out the words "for public distribution", so as to make the clause read:

(d) The administrator shall print monthly, and shall submit to the President and to the Senate and the House of Representatives (or to the Secretary of the Senate and the Clerk of the House of Representatives, if those bodies are not in session), a report of his activities and expenditures under this act. Such reports shall, when submitted, be printed as public documents.

The amendment was agreed to.

The next amendment was, in section 4, page 5, line 20, after the word "State", to strike out the words "or by" and insert the word "including", so as to read:

(b) Of the amounts made available by this act not to exceed \$200,000,000 shall be granted to the several States applying there-

for, in the following manner: Each State shall be entitled to receive grants equal to one third of the amount expended by such State, including the civil subdivisions thereof, out of public moneys from all sources for the purposes set forth in subsection (a) of this section; and such grants shall be made quarterly, beginning with the second quarter in the calendar year 1933, and shall be made during any quarter upon the basis of such expenditures certified by the States to have been made during the preceding quarter.

The amendment was agreed to.

Mr. BORAH. Mr. President, I wish some Senators who is familiar with this bill would explain subdivision (b) of section 4, relating to distribution to the States.

Mr. LA FOLLETTE. Mr. President, the total sum provided by this bill is divided and is to be distributed in two ways in accordance with the provisions, respectively, of subsection (b) and subsection (c). Under subsection (b) an amount not to exceed \$200,000,000 is provided for the purpose of making grants to States upon the basis of one third of the expenditures which they have made from public moneys from all sources for relief purposes within the States during the preceding quarter. In other words, the State of Idaho, for instance, making application for assistance from the Federal Government under section (b) would furnish a statement showing the amount of money spent for relief in that State during the first quarter of this year from all public sources. Upon that basis the State of Idaho would be entitled to receive from the fund created under paragraph (b) one third of the amount so expended.

Mr. BORAH. In other words, it requires a State to spend two thirds, while the Federal Government furnishes one third of the amount?

Mr. LA FOLLETTE. Yes; excepting that, of course, in the first quarter of this year Idaho has received money from the Reconstruction Finance Corporation, which would be included in estimating the total expenditures from all public sources.

Mr. VANDENBERG. Mr. President, will the Senator from Wisconsin yield to a further question?

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. As I understand, pursuing the exhibit in respect to the State of Idaho, if that State has spent nothing during the previous quarter—a rather extreme hypothesis, but it will illustrate the question I want to ask—it may come in, then, under paragraph (c) and qualify for a share of the balance of the fund? Is that correct?

Mr. LA FOLLETTE. It may on the basis of a demonstrated need for unemployment relief within the State. In other words, there is provided in paragraph (b) a means of making grants to States which the authors of the bill hope will act as a stimulus in securing additional funds from resources within the State; but, recognizing the fact that there are some States which are not in a position to provide sufficient money to meet the problem, we have created a fund under paragraph (c) where, in the discretion of the administrator, he may make funds available without regard to expenditures which the State or its civil subdivisions have been able to make.

Mr. VANDENBERG. At that point the certification under paragraph (c) does not require a showing of inability to get the money. It merely requires a certification of an insufficiency of funds? Is that correct?

Mr. LA FOLLETTE. It provides that the certification made to the administrator shall show that the combined moneys available within the State from all sources, supplemented by any moneys made available under paragraph (b)—that is the \$200,000,000 matching provision—will fall below the estimated needs within the State for the purposes specified in paragraph (a).

Mr. VANDENBERG. In other words, that the funds are insufficient?

Mr. LA FOLLETTE. Yes; but of course it remains entirely within the discretion of the administrator as to whether he finds that the State is unable or that its civil subdivisions are unable to provide sufficient money.

Mr. VANDENBERG. Would the Senator say that it was the obligation of the administrator under subsection (c) to

determine that a State had exhausted its own resources and could not proceed to raise its own funds before it could qualify?

Mr. LA FOLLETTE. It is my interpretation of these two subsections, Mr. President, that a wide discretion is, of necessity, given to the relief administrator; but these two subsections are not dissimilar from the provisions of the State relief act in New York, under which the State government matches a certain percentage of funds provided by the civil subdivisions. There is also in that act a separate fund provided for which is in the nature of a free fund.

Now what happens in practical administration is this: The relief administrator endeavors to secure from the communities asking for relief in that State as large a contribution as they are able to make. When, however, he comes to the conclusion that the localities in the State have exhausted their resources and are unable to provide sufficient money, then, in order to prevent unemployment relief from breaking down altogether, a distribution is made to that particular community from the free fund.

We must recognize, Mr. President, in determining upon the legislative set-up of the relief administration that there are today varying degrees of financial ability in the United States. Some States, due to their constitutional provisions, are unable readily to readjust their fiscal and taxation machinery to meet the extraordinary burden of this emergency. I believe that we have in this bill a workable program which, under careful administration, will result in the expenditure on the part of the States and localities able to do so of a larger sum of money than is now being provided.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. LA FOLLETTE. I yield.

REGULATION OF SECURITY ISSUES—CHANGE OF REFERENCE

Mr. ROBINSON of Arkansas. Yesterday, Mr. President, I introduced for myself and the Senator from Arizona [Mr. ASHURST] Senate bill 875, to provide for the furnishing of information and the supervision of traffic in investment securities in interstate commerce. At my request the bill was referred to the Committee on the Judiciary, some other bills having relation to the subject having gone to that committee. I am advised, indeed, it is well known that the Committee on Banking and Currency under a resolution heretofore adopted by the Senate has conducted a prolonged investigation into the subject matter of the bill to which my remarks have reference. I, therefore, ask that the Committee on the Judiciary be discharged from the further consideration of the bill and that it be referred to the Committee on Banking and Currency.

I have consulted with the chairman of the Committee on the Judiciary, with the Senator from California [Mr. JOHNSON], and with the chairman of the Committee on Banking and Currency, and others, and believe that this reference should be changed.

The VICE PRESIDENT. Is there objection?

Mr. NORRIS. Mr. President, I should like to get a further explanation from the Senator in regard to the bill, the reference of which it is proposed to change. What bill is it?

Mr. ROBINSON of Arkansas. It is the bill having relationship to investment securities in interstate commerce, the regulation of the sale of investment securities.

Mr. NORRIS. Is that the bill which was introduced yesterday?

Mr. ROBINSON of Arkansas. Yes; that is the bill.

Mr. NORRIS. Mr. President, I am particularly interested in it, because I have been working on a bill which covers some of the subjects embraced in the proposed legislation, and it never occurred to me that the bill on which I was working ought to go to the Interstate Commerce Committee. I intended to offer it as an amendment to this bill. Does the Senator think that the subject matter of this bill is such that the Interstate Commerce Committee, rather than the Judiciary Committee, should have jurisdiction of it?

Mr. ROBINSON of Arkansas. No; I have not even suggested that the bill be referred to the Interstate Commerce Committee.

Mr. NORRIS. Then I did not understand the Senator.

Mr. ROBINSON of Arkansas. My suggestion was that the bill be referred to the Committee on Banking and Currency.

Mr. NORRIS. I mean the Committee on Banking and Currency.

Mr. ROBINSON of Arkansas. Yes; I think it is true that the bill could be referred to any one of the three committees mentioned; Banking and Currency, Judiciary, or Interstate Commerce, could properly take jurisdiction. I base the suggestion for a change of reference on two facts: First, that the Committee on Banking and Currency, as the Senator will recall, has had under investigation for several months the subject matter of the bill, in part; and, in the second place, the committee feels that it should, in view of the work that has already been done with reference to the subject, be authorized to proceed with the legislation, and is ready to do so.

Mr. NORRIS. Now, let me ask the Senator, is that agreeable to the chairman of the Committee on Banking and Currency and also to the chairman of the Committee on the Judiciary?

Mr. ROBINSON of Arkansas. I have already stated that it is agreeable to both chairmen.

Mr. NORRIS. I should like to inquire of the Senator from Arizona, if the Senator from Arkansas will yield for that purpose, whether the Senator from Arizona has looked into it and feels that the bill ought to go to the Banking and Currency Committee?

Mr. ASHURST. Mr. President, during my unavoidable absence from the Chamber for a half an hour yesterday my friend, the senior Senator from Arkansas [Mr. ROBINSON], introduced the bill for me, and it was referred to the Committee on the Judiciary, of which I happen to be the chairman. The committee met this morning and set the hour of 10 o'clock tomorrow morning as a time when we would hear the proponents of the bill, and grant its opponents, if any, another day, and we expected to report the bill to the Senate not later than Monday.

Some inquiry was made as to what opposition there might be to the bill. I said in reply, "There may be some opposition, but it will be secret, silent, subterranean opposition that will never come to the surface. If you explore the sources of opposition, you will probably find that the opposition comes from organizations and promoters that have sold "fake" securities throughout this country to the tune of billions of dollars, and have sunk their fangs into the pocketbooks of the innocent investors with greater rapacity than a school of sharks ever sank teeth into human flesh.

I am indifferent as to the particular committee to which the bill may be sent, but I confess to that natural pride which I think is becoming to me and does me no discredit, by saying I should like to have managed the bill and to have had the able committee over which I preside manage a bill of such transcendent importance. But, Mr. President, the question is too important for a moment of precious time to be consumed over a peccadillo. Certainly if the judgment of the Senate is that the bill should go to the Banking and Currency Committee, the bill should go there. Doubtless my fellow members on the Judiciary Committee would feel the same way.

The Senator from California [Mr. JOHNSON] has introduced three bills which our committee intends to consider at a very early date. Indeed, this morning he has introduced another important bill relating to this subject, which I understand has been referred to the Judiciary Committee. I assure him and all others that we will give immediate attention to the bill.

So far as I am able to commit my own committee, certainly if it will save one hour of time in passing this bill, we cheerfully yield jurisdiction.

Mr. KING. Mr. President, will the Senator yield a moment?

Mr. NORRIS. Just a moment.

I stated at the beginning the reason why I happened to be interested in the reference to the proper committee of this particular bill. I think, from what little information I have in regard to it, that instead of introducing the bill I had contemplated, covering corporations in a little more general way than they are covered in this bill, I will offer it in the form of amendments to this bill. There is not a thing in any of the amendments that I have, or that I will propose, that is of such a nature that anybody would question that jurisdiction of the subject ought to be in the Judiciary Committee.

The action that is proposed may make it necessary for me to change my plans somewhat. I have no desire to interfere with the reference of this bill if the chairmen of the various committees think it ought to go to the Banking and Currency Committee. Certainly I will make no objection to it.

Mr. ASHURST. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield to the Senator.

Mr. ASHURST. I think, however, that I should be lacking in candor and frankness if I failed to say that from my examination of the bill under discussion, S. 875, there are some questions of law that must be considered in connection with it. I have faith, however, that there is sufficient legal and literary talent in the Banking and Currency Committee to take care of those questions over which we are surrendering jurisdiction, hence we feel composed, as we know that the able Committee on Banking and Currency will consider those questions.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas? The Chair hears none.

Without objection, the President's message will also be referred to the Committee on Banking and Currency.

Mr. ROBINSON of Arkansas. Mr. President, I should merely like to say that it was upon the basis of the position just announced by the Senator from Arizona [Mr. ASHURST] that I at first suggested the reference of the bill to the Judiciary Committee. I do feel, however, upon consideration of the subject, since the jurisdiction of the subject matter was recognized as in the Committee on Banking and Currency, and that committee has already proceeded at length to deal with the matter, that it is right and just that it be given jurisdiction of this bill.

Mr. FLETCHER. Mr. President, I have not said anything about this matter on behalf of the Banking and Currency Committee. Everybody has been talking except the members of the Banking and Currency Committee, and I think it is time for me to say this: That committee, under Senate Resolution 84, Seventy-second Congress, has been actively engaged for months in investigating this very subject. We have already taken pages and pages of testimony. We are now proceeding with further investigations. We have a general counsel. He is equipped and prepared and organized to pursue the investigation to a finish.

Mr. LONG. Mr. President—

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Louisiana?

Mr. FLETCHER. No; not now. I will ask the Senator to excuse me. I want to say this and be through with it: The Banking and Currency Committee have jurisdiction, under instructions from the Senate, to investigate this very problem. We have been actively engaged in doing so. We have developed the important testimony now of record. There is other testimony to be gathered within our view now, and we feel that the Senate either ought to dismiss us entirely and let us quit where we are or else we ought to go and finish this very subject.

Mr. LONG. Mr. President—

Mr. FLETCHER. We are doing that in good faith, effectively and energetically. After the Senate has instructed us to look into this very subject by resolution of the Senate

passed sometime ago, and we have been actively engaged in it, there is no reason in the world why we should quit unless the Senate wants to take the matter out of our hands.

That is the situation. This bill belongs to the Banking and Currency Committee, beyond any question, in pursuance of the Senate's action, and in pursuance of the work of the committee, and in view of the fact that we have been diligently engaged in going to the bottom of it. We propose later to submit legislation covering this and other matters involved in that resolution, but especially including this; and we shall be glad to have any other suggestions or any other bills referred to the committee to be considered in due course, and as soon as we can we propose to report upon this investigation well-considered legislation covering the whole subject we are now investigating, including the handling of securities.

Mr. LONG. Mr. President, will the Senator permit me to ask him a question?

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Louisiana?

Mr. FLETCHER. I yield to the Senator.

Mr. LONG. I understood the Senator from Arkansas to say on the floor yesterday that this bill had been referred to the Committee on the Judiciary at the request of someone. Perhaps I misunderstood what was said.

Mr. FLETCHER. I do not think that statement was made.

Mr. LONG. I was thinking that the Banking and Currency Committee, which at this time is having the help of the Treasury Department—which means the help of Mr. S. Parker Gilbert, one of J. P. Morgan's firm, and other members of the Morgan house—in the preparation of legislation, might be a little inconvenienced or embarrassed in examining the helpers and the progenitors of our present-day potential legislation. I thought, therefore, that it would possibly relieve the committee of some embarrassment if the bill went to the Judiciary Committee. In other words, I thought the committee probably would hate to be sitting one day with S. Parker Gilbert drawing the laws that they are proposing to the Senate for enactment and the same day be turning around to investigate the gentleman who is very kindly, as a matter of help to the Government, volunteering his time here. I do not want embarrassment to come up between the committees.

Mr. FLETCHER. The Senator is mistaken. Neither Mr. S. Parker Gilbert nor any member of J. P. Morgan & Co. has appeared before the Banking and Currency Committee. Moreover, the committee has not had anything to do with any person connected with that company.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me?

Mr. FLETCHER. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. In view of the remarks just made by the Senator from Louisiana, I think it appropriate to say that I am convinced that the Committee on Banking and Currency will perform its duty, and do it promptly, in connection with this bill.

The reasons that I gave on the floor yesterday for referring the bill to the Judiciary Committee were that the bill involves some questions of law and perhaps some question of constitutional authority. I repeat now that in view of the study made by the Committee on Banking and Currency of the subject matter of the bill, I think it is proper to refer it to that committee.

The VICE PRESIDENT. The bill has been referred to the Committee on Banking and Currency.

Mr. KING. Mr. President—

Mr. FLETCHER. Just a minute; I have not yielded the floor. With reference to the Judiciary Committee I desire to say that I have perfect confidence in them. I know the ability of the members of that committee. It is perfectly proper to refer to them measures which involve the Constitution, and perhaps legal questions; and I am glad they have charge of the bills introduced by the Senator from California [Mr. JOHNSON]. They are very important bills, and I hope they will be reported out and acted on.

I may modestly suggest that there are a few good lawyers on the Banking and Currency Committee, and I think we have some material there that can quite well consider the question of the legality and the constitutionality of the legislation submitted to that committee. I am not hunting for any more work, but I resent the suggestion that the committee ought to stop where it is when it has been instructed to do a certain work and has not finished it.

Mr. NORRIS. Mr. President, will the Senator permit a question there?

Mr. FLETCHER. I yield.

Mr. NORRIS. I have not heard any such suggestion. Will the Senator be more explicit? He says he resents the suggestion that the Committee on Banking and Currency ought to quit. I do not believe there is a Member of this body who wants it to quit. The only thing that worried us was that the Committee on Banking and Currency was going too slowly. It employed a certain lawyer this week and discharged him and got another one the next week. It discharged him and hired another one.

Mr. FLETCHER. That is a mistake, Mr. President.

Mr. NORRIS. We thought the committee was going too slowly; and we are tickled to death that at last the Banking and Currency Committee has gotten down to work and is getting some real investigating work done and is exposing some of the evils that it seemed to me ought to have been exposed long ago.

So far as I am concerned, in raising the question, if the Senator has any reference to me, I was moved by the desire to add some other amendments to the bill referred to that I believed, and still believe, came within the scope of the Judiciary Committee. I would just as soon go with those amendments to the Banking and Currency Committee as to any other committee; but I anticipate, when I get there with them, that members of the Banking and Currency Committee will say, "You have no business here; you ought to go before the Judiciary Committee with these matters." I was only interested to find out what procedure I ought to take in order to get proper consideration of those amendments.

Mr. FLETCHER. I understood the Senator's motive, and I had no reference whatever to him or any other person in referring to the suggestion. The idea was that this particular subject was under consideration and investigation by our committee—

Mr. NORRIS. I agree with the Senator.

Mr. FLETCHER. And I thought to refer a bill on that subject which we have been preparing to another committee was rather indicative that there was some lack of good attention on the part of the Banking and Currency Committee. However, I attach no such intention to anyone. The Senator from Arkansas has acted perfectly right and he very appropriately does justice to both committees, and in view of the circumstances asks to have the bill go to the Banking and Currency Committee.

I think I may say that the Senator is a little in error about the change of counsel. The committee had one attorney engaged to begin with, and up to the recess he performed very excellent service and ended his engagement. We have quite a full report from him, which is in the shape of a document, which the Senator, I know, will be interested in reading. After some little time elapsed, during the recess, the committee met again and determined to go further with the investigation and engaged another counsel, because it could not make arrangements with the former counsel. That is all. We have had only two counsels—first Mr. Gray and now Mr. Pecora. Mr. Pecora is in charge of the work now.

Mr. KING. Mr. President, before passing to the consideration of other business I desire to submit a few observations concerning the matters referred to by the Senator from Arkansas and the Senator from Nebraska.

In my opinion S. 875, introduced by the Senator from Arkansas for the Senator from Arizona [Mr. ASHURST] on the 29th instant, should have been referred to the Committee on Banking and Currency, and I am in accord with the action just taken by the Senate in having such reference

made. Indirectly there are questions involved in the consideration of the bill which the Committee on the Judiciary of the Senate should perhaps have opportunity to consider. Perhaps if the propositions involved in S. 875 had just been brought to the attention of the Senate the Committee on the Judiciary would have been the more appropriate committee for the consideration of the same, but the Committee on Banking and Currency for some time has been considering important questions dealing with our banking system, with stock exchanges, the sale of securities, investment trusts, and relevant and pertinent matters. It has also conducted a rather extensive investigation concerning these matters and is still engaged in further investigations of the questions dealt with in the bill just referred to.

Several years ago I gave considerable attention to the banking situation, including chain and branch banking, group banking, and the operations of the stock exchange, and the loans made by the Federal Reserve banks to stock brokers and others for speculative purposes. I made similar investigations a number of years ago in regard to the transactions upon the stock exchanges, and ascertained the proportion of transactions that were of a marginal character. As a result of my investigations of these questions, several years ago I submitted a resolution calling for an investigation of these matters and introduced in the Senate several bills which I hoped would prevent much of the gambling in stocks and the utilization of the Federal Reserve System in promoting stock-gambling transactions. One of the measures which I offered forbade any bank within the Federal Reserve System from loaning money for stock-gambling or stock-speculation purposes.

In 1925 I offered a bill to prevent the use of the mails and of telegraph and telephone facilities in furtherance of fraudulent transactions on stock exchanges. That bill defined the words "stock exchange, securities, marginal transactions, and bucket-shop transactions", and declared unmailable any written, printed, or engraved or photographic matter which was connected with transactions condemned in the bill. The use of interstate commerce instrumentalities was forbidden to aid in any of the activities or transactions condemned in the bill. Similar measures were offered in successive Congresses and referred to the Committee on Banking and Currency. In the first session of the Seventy-second Congress I offered a bill known as S. 4647 which elaborated the provisions of some of the preceding measures which I had introduced, and which was designed to prevent fraudulent and harmful transactions in connection with the sale of stocks and securities. In this bill are found some provisions similar to those in S. 875, offered by the Senator from Arkansas. The bill which I offered required various steps to be taken before the United States mails or interstate instrumentalities could be used in connection with the sale of stocks and other forms of securities. The bill provided that before interstate commerce instrumentalities might be so used in stock-exchange transactions, such stock exchanges must be incorporated under the laws of the State or Territory in which its business was conducted, and further required that the charter and bylaws of the exchange or the laws under which such stock exchange was incorporated should contain regulations and prohibitions with respect to the transactions upon such exchanges, and including full information concerning the character of the securities dealt in, the genuineness of the quotations thereof, and so forth. The bill also contained provisions that before the securities of any corporation shall be listed, quoted, or dealt in upon stock exchanges, a statement must be filed with the secretary of the exchange, formally approved by resolutions of the board of directors of such corporation and verified by the oath of an officer thereof, setting forth separately and in detail the nature, amount, and value of the tangible and other property, assets, and effects of said corporation, its actual and contingent liabilities and obligations, the volume of its business and net earnings year by year for at least 3 years next preceding the filing of such statement, or for such lesser time as the corporation shall have been engaged in business, and also a like statement with respect to every

subsidiary or controlled corporation in which the corporation was interested.

The bill further required that every copy of contract or agreement must be made in writing, and a full statement and description of the term of every other contract, agreement, or understanding connected with the transaction or sale or disposition of the sale of securities admitted or sought to be admitted to the official list of the said exchange and quoted and dealt in thereon, accompanied by a full disclosure and recital of all fees, profits, charges, commissions, or compensation paid or agreed to be paid or reserved to bankers, brokers, middlemen, or others in connection with the authorization, issue, sale, or disposition of such securities and the net amount that ought to be realized by such corporation therefor. The bill also contained a provision that every such corporation shall, so long as any of its securities were listed on the exchange, file at least once in each year and at such other times as the regulations of the exchange required, with the secretary of the exchange and with the Postmaster General for public inspection and use, a detailed statement of any and all agreements and transactions made or entered into directly or indirectly between the corporation and any of its officers or directors, or with any partnership, association, or corporation in which any such officer or director was interested, and of the profits in volume of salaries and commissions or other benefits derived, assured, or agreed to be paid by such officers or directors to any such partnership, association, or corporation in which such officer or director is interested. The bill also declared that the manipulation of securities or of prices thereof or of transactions therein and all fictitious purchases and sales of securities—including matched orders and wash sales—and all other dealings or transactions intended to or the effect of which is to deceive or mislead the public shall be prohibited. The members of the exchange were forbidden, under penalty of expulsion as well as other penalties, from hypothecating securities belonging to customers or others for any amount in excess of the sum at the time owing such members thereon, or from entering into any agreement with customers or others for such use of their securities, or from lending securities pledged with them or making any agreement with their customers with respect thereto. The members of the exchange were required to keep full and accurate books and accounts of all transactions conducted by them upon the exchange, containing the actual names and transactions of all their customers and the serial numbers of all their securities or of the certificates representing purchases that had been made by them.

The bill provided that the books of account and all records of the members of the exchange at all times were to be opened to the inspection and examination by the officers of the exchange or by such examiners or other persons as they may designate, or by the Postmaster General, or by such persons as he may designate. The bill further provided that no securities of other corporations could be listed, quoted, or dealt in on the exchange unless the charter or bylaws of a corporation contained an express prohibition against the sale by any officer or director thereof of any security of which he is not the owner at the time of such sale, and against the purchase or sale, directly or indirectly, by any such officer of any security of such corporation or any interest therein unless and until previous written notice of such intended action shall have been given to the directors of the corporation and entered upon the minutes of the meeting of the directors, nor unless all such transactions shall be reported in writing to the secretary of the exchange within 5 days after the same are made and shall be entered upon the minutes of the next succeeding meeting of the directors of the board of exchange.

Further provisions are found in the bill for the purpose of making the bill effective and preventing transactions, information concerning which has been brought to the attention of the public by the investigations carried on by the Committee on Banking and Currency of the Senate. I might add in passing that if this bill had been enacted into

law several years ago it would have prevented many of the stock transactions, the revelations concerning which have shocked the American people and brought condemnation upon the stock exchange in many of its practices. At the beginning of the present session I introduced a bill containing the same provisions as those found in S. 4647.

Mr. President, a number of years ago I offered a resolution in the Senate calling for a complete investigation of our banking system, including investment trusts, stock exchanges, and relevant and cognate matters. Unfortunately, I was unable to secure action by the Committee on Banking and Currency, to which it was referred. I offered a similar resolution in succeeding Congresses. On the calendar day of May 24, 1929, I offered Senate Resolution No. 71, which was referred to the same committee.

This resolution declared that in order to provide for a more effective operation of the Federal Reserve System and to inform the Senate of the facts in connection with the use of the reserve funds of the banks and improving the trading of securities and to remedy such defects in our banking system as were deemed advisable, the committee was directed to make a full and complete investigation and to report the same to the Senate with recommendations for necessary legislation. Among the matters which the resolution directed the committee to investigate were the defects found to exist in the Federal Reserve System; whether the facilities of the Federal Reserve banks had been utilized in loans for trading in and carrying securities; whether member banks had afforded unduly large accommodations to brokers; whether the banking laws should be amended to restrict the use of general bank credits for speculative purposes or to limit the volume of loans made for the purpose of carrying on marginal transactions in stocks and other transactions of a speculative character; the classification of loans to brokers by members of the Federal Reserve System and the purposes for which the loans were to be used particularly in connection with new issues; the various types of trading on the stock exchanges and the scope of each, as well as the extent of so-called "short sales" and the relative degree of concentration in pooled stocks; the effect of the operations of the Federal Reserve System in contributing to the high rate of interest on call money and the drawing of money from rural districts to financial centers for speculative purposes; the basis for the acceptance policy of the Federal Reserve System and the extent to which mergers were taking place between member banks and the Federal Reserve System; whether or not chain banking and branch banking were being developed and the effect and quality of such types of banking; the extent to which investment or security trusts were being formed by or in connection with member banks of the Federal Reserve System and the extent, character, and effect of their operations; the extent of the loans to such trusts by member banks and the loans made by them at call and otherwise, the dividends paid by such trusts and the effects of such trusts upon fluctuations in the market values of stock; whether or not usury laws were evaded by investment or security trusts; whether the member banks of the Federal Reserve System should be prohibited from forming or being concerned with investment or security trusts; the extent and power of Congress to regulate the business of stockholders or others engaged in the business of issuing, negotiating, or trading in securities; whether the effect of the direct discounting of member-bank notes by reserve banks has proven harmful; whether Federal bank charters should be granted where the capital stock was less than a thousand dollars; the effect of mergers and consolidations of large financial institutions or whether such mergers should be consolidated.

There are other provisions in the resolution not necessary to mention at this time. This resolution was modified and reported favorably April 21, 1930, and thereafter adopted. Under this resolution the Committee on Banking and Currency has been proceeding with the investigations which it has been carrying on for nearly 2 years. Information obtained by the committee covers all of the matters referred to in my resolution and in the various bills which

I have offered and which have been before the Committee on Banking and Currency. Following the investigations made by the committee under the resolution the so-called "Glass bank bill" was reported, as well as other measures which have been acted upon by the Senate. The Banking and Currency Committee is still engaged in its investigation under the resolution referred to. It has obtained important information concerning the practices of the stock exchange and other transactions, some of which have been universally condemned as illegitimate, unethical, and highly improper.

In my investigations of the matter referred to in the resolution which I offered, some question was raised in my mind as to the authority of Congress to control the stock exchanges of the United States, particularly the Stock Exchange of New York. Some lawyers of ability with whom I conferred doubted the power of Congress to control stock and grain exchanges, investment trusts, and corporations engaged in buying and selling of stocks, bonds, and securities. I prepared a number of bills to which I have referred, and particularly the ones to prevent the use of the mails and of telegraph and of telephone facilities in furtherance of fraudulent and harmful transactions on stock exchanges. I had no doubt when I prepared the bill, and have no doubt now, as to its constitutionality.

I sincerely hope that the Committee on Banking and Currency, which is conducting its investigations under my resolution as modified, will promptly consider the bill which I have offered, as well as the one now referred to it, with a view to recommending such legislation as will prevent a repetition of many of the practices of the stock exchange which have aroused so much indignation and brought a flood of criticism and condemnation upon the stock exchanges of our country. All admit that stock exchanges can serve an important purpose in our economic and business life; if they limit their activities to legitimate and proper transactions, they can be beneficial to business and to the people.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the bill (S. 562) relating to the prescribing of medicinal liquors.

RELIEF OF DESTITUTION

The Senate resumed the consideration of the bill (S. 812) to provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes.

Mr. GOLDSBOROUGH. Mr. President, I have always held to the belief that no emergency has existed or, up to the present time, has the situation ever reached a point where it was impossible for municipalities and States to adequately care for their own destitute and unemployed citizens. For this reason I have consistently opposed legislation for loans or grants to States for such purposes, as it has never yet, to my mind, been clearly demonstrated that the full resources of States have been exhausted in meeting these demands.

During the past few months, under authorization of law, the Reconstruction Finance Corporation has advanced approximately a quarter of a billion dollars to 40 of the 48 States for the relief of destitute citizens of those States. It has been a matter of great satisfaction to me that my own State, passing through perhaps as stressful a period of unemployment and depreciation in value of farm products as any other State of the Union, has not yet come to the Federal Government for assistance.

However, the unemployment relief bill now being proposed makes direct grants to the States for such relief, instead of loans. Of course, this additional half billion of dollars authorized for such grants can only be raised in one way, through taxes. The inevitable result of the passage of this bill will be to force these remaining eight States, which up to the present time have been desirous of

caring for their own unemployed, to go to the Federal Government for such assistance. For if they do not do so, they will be bearing their share of the cost of the Federal Government of these direct loans to other States at the very moment they are doing their utmost to care for their own unemployed. It would certainly be unfair to Maryland, Delaware, New Jersey, Connecticut, Massachusetts, Nebraska, Vermont, and Wyoming, which have carried their relief burden without Federal help, to be penalized because in addition to taking care of their own distress they would be required to pay in Federal taxes sufficient to make up the sums which have gone and will go to the borrowing States.

In fact, only yesterday the Governor of Maryland revealed that he is preparing to ask the Reconstruction Finance Corporation for relief funds; for while the State has always been anxious to take care of its own relief problem without Federal aid and has done so up to this time, it certainly could not be criticized for attempting to escape from the penalty which this bill would impose upon it unless it also became a beneficiary.

I do not care to amplify my statements at this time but wish to have inserted in the RECORD a brief editorial from the Baltimore Sun of March 26, which I am now sending to the desk, developing clearly and concisely the point which I am making, and would ask unanimous consent that the editorial be printed.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Sun, Baltimore, Md., March 26, 1933]

BAD

Mr. Essary reports from Washington that President Roosevelt has practically made up his mind to make direct grants to the States for unemployment relief instead of loans. This is unwise and should not be done. Before the President finally makes up his mind he should give the closest attention to all the consequences of such a change in policy.

Direct grants will mean that every State must go to the Federal Government, even though it still is in position to care for its own unemployed. Else a State will be bearing its share of the cost to the Federal Government of these direct grants to other States at the very moment it is moving heaven and earth to care for its own unemployed. That is too much to ask of any State, even the proudest and most self-reliant. And that is not all. Direct grants now will inevitably lead to the wiping out of all obligation to the Federal Government for loans obtained in the past 12 months by many of the States. And if that is done, the States which have sought to meet their own responsibilities without appeal to the Federal Government will be entitled to call upon Washington for funds equal to those "borrowed" by the States which were unwilling to scrape the bottom of their own pot. Maryland certainly could not be expected to turn its back on new grants or fail to put in its claim for old "loans" that really were gifts.

The end of it all would be that the Federal Government would be saddled with more and more and yet more of the cost of unemployment relief. It would mean not merely that States would relax their efforts to help themselves; local communities also would do so, and so would the individuals who maintain social and relief agencies in the communities. With that change would come relaxation, too, of the invaluable labor that has been given by thousands of patriotic men and women to keep relief work on a sound and sane basis, to reduce waste and abuse to the minimum, and to foster the greatest possible degree of self-help among the unfortunate. The values—financial, social, and moral—that inhere in the efforts of leaders of a community to use their intimate knowledge of local conditions in dealing with unemployment would assuredly tend toward dissipation. In other words, assumption of the whole burden by Washington means greater cost and less results.

It ought to be kept in mind that the Federal Government headed by Mr. Roosevelt has no wealth other than the aggregate wealth of these 48 States. When Washington assumes the burden of unemployment relief, as it will when direct grants are made, there is no miraculous escape from the costs of the work—although it is probable that some States will get more relief than they are entitled to and others will pay for more than they ought to. What the Federal Government should do is to use its credit to provide loans for the benefit of States that find themselves embarrassed in their own credit conditions, as it has been doing. And it should insist that loans are loans, to be met out of funds due the States under various appropriations, such as roads aid. Otherwise, Mr. Roosevelt had as well make up his mind that the Federal Treasury will become a grab-bag.

Mr. WAGNER. Mr. President, I want to ask the Senator whether it is his view that Congress should make no provi-

sion at all by way of supplementing the legislation it has heretofore enacted for relief purposes.

Mr. GOLDSBOROUGH. I can only repeat my statement to the distinguished Senator from New York that I still believe it to be within the taxing powers of the States and the municipality to look out for their own.

Mr. LA FOLLETTE. Mr. President, I just wish to explain a sentence which was left hanging in the air when I was interrupted sometime ago. I was about to state, if I remember correctly, that a similar provision of the New York law has proven very successful in stimulating additional activities of the local governments into providing more money for relief than they were providing before the act was passed.

Mr. President, in that connection may I say that at the time the law was proposed predictions were made that its enactment would result in the local communities' throwing the whole burden onto the State governments. Such has not been the case. In fact, a much larger sum of money has been provided for relief purposes by the local divisions of government as a result of the States' affording an opportunity to them to provide a certain proportion of the money which they made available.

I hope I have answered the question which the Senator from Michigan directed to me.

Mr. VANDENBERG. Mr. President, the Senator has answered the question, and I think our objectives are entirely common. I continue to feel that the language of subsection (c) could more pointedly direct the administrator to test the question whether the State or its subdivision had actually exhausted its own resources. Therefore I am going to ask the Senator whether he would resist an amendment in line 7, after the word "moneys", to insert the words "which can be made", so that the sentence would read, "the administrator finds that the combined moneys which can be made available within the State from all sources", and so forth.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LA FOLLETTE. I yield.

Mr. BORAH. Does the Senator from Michigan want to leave to the administrator the power to determine whether the States shall have any funds at all or not? That is to say, does he want to leave to the administrator the sole authority on the question of whether the State has done all that it can possibly do?

Mr. VANDENBERG. Mr. President, the Senator from Wisconsin indicates that that is to be the rule, and it is my feeling that so long as there are two different methods of contribution—the one automatic, the other not automatic, except as the rule may be made more accurate and definite—every State will be driven from subsection (b), which requires contribution, into subsection (c), which does not require contribution.

Mr. BORAH. Mr. President, it may be that the Senator's suggestion that it should be more definite and certain is a good suggestion; but what I should like to know before we finally dispose of this matter is, What are the powers of the administrator under this bill to be? I should like to know more about what his powers would be. It seems to me that in the last analysis everything is to be left to the administrator.

Mr. WAGNER. Mr. President, the question of determining the need for relief in a State must be lodged somewhere, based upon certain information which the proposed bill requires to be ascertained. Finally the question of the need must be based upon the ascertainment of certain facts, and the amount of the need must be determined in accordance with those facts. There is no other way of distributing the funds for purposes of relief that I know of.

Mr. BORAH. Mr. President, what I have in mind is this, that we are asked to set up an administrator who will be in no sense responsible to the Congress, or the President, which will provide the money.

Mr. WAGNER. He would be required to make reports monthly to Congress of his activities.

Mr. BORAH. He would make reports, but that is all there is to it. There would be no review of his judgment by either President or Congress.

Mr. WAGNER. I do not see how we can set up machinery for the purpose of determining this question without giving the authority to some individual or some board to determine the question of the requirements of a State.

Mr. BORAH. It may be, as a practical proposition, that that is necessary; but it does seem to me that the appropriating body ought to have some voice over the final judgment of the party who is distributing the funds. No appeal from the State to anyone except the administrator is provided for. It may be that that is necessary. But is that the bill? That is what I want to know.

Mr. WAGNER. Or the appeal may be to the President.

Mr. BORAH. That is the bill?

Mr. WAGNER. Yes. None of this money could be used until after the President approved the application for issuance of debentures. This \$500,000,000 is to be earmarked, and it is to be provided for by the issuance of debentures by the Reconstruction Finance Corporation. Those debentures could not be used until after the President approved their issuance. So that the President would be directly responsible, really, for the administration of the fund.

Mr. BORAH. Not necessarily in the way of opposition, but for the purpose of obtaining information, let me ask, that, then, is the bill—that the administrator's judgment is to be final in this matter?

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Wisconsin yield to me?

Mr. LA FOLLETTE. I yield.

Mr. ROBINSON of Arkansas. A statement recently made by the Senator from Idaho is interesting, and perhaps important. He was impressed, he said, with the desirability of the appropriating authority; that is, the Congress, having some final control over the decision of the administrator. I should like to inquire of the Senator from Idaho whether it is his thought that in each instance when the administrator recommends a grant his recommendation should be subject to the approval of the legislative authority, rather than be final, or made subject to the approval of the Executive authority?

Mr. BORAH. Mr. President, I did not mean to be understood that I had made up my mind as to which was the better course. What I was seeking to ascertain was whether or not that really was the bill. It just occurred to me it might be practicable to have a checking power somewhere.

Mr. ROBINSON of Arkansas. I think clearly under the language employed here that the administrator's decision as to the grant is final. It could, of course, be made advisory, and jurisdiction vested in some other executive or administrative agency to approve his recommendation. But I do not see how it would be at all practicable to make it subject to the decision of the Congress unless we desire to legislate every time a grant is to be made.

Mr. WAGNER. May I not suggest to the Senator, however, that there is an added precaution, if we may call it such, because the bill provides that no debentures, as I said, may be issued for the purpose of securing the money without the approval of the President.

Mr. ROBINSON of Arkansas. That is entirely true, but it is also true that debentures might be sold at any time and the fund made available; and when that has been done, then any grant made by the administrator would be conclusively binding on all authorities.

Mr. LA FOLLETTE. Mr. President, I wish to say in response to the suggestion made by the Senator from Idaho that it would be impossible to provide any machinery that would work as a practical matter of administration whereby the administrator would have to submit his recommendations to the legislative branch of the Government. We will be in adjournment during part of the time the bill is in operation. It is absolutely impossible, as I see it, to draw a bill which would give the legislative branch of the Government the final approval over the detailed acts of the adminis-

trator. All of the bills which have been considered for this purpose have set up an administrative agency. True, in some of the other bills a board of three members was provided, but it seems to me as a matter of practical working out of the provisions of the bill that it is absolutely necessary and essential to its successful operation that discretion and power must be lodged in the authority made responsible for the operation of the bill.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LA FOLLETTE. Certainly.

Mr. BORAH. May I ask if the President has any supervisory power over the administrator? Must he approve or disapprove of what the administrator finally determines a State may be entitled to receive?

Mr. LA FOLLETTE. He has no authority other than to act in connection with the time and the amount of debentures of the Reconstruction Finance Corporation which are made available for the purposes of relief of destitution under the bill. Of course, he has the power of appointment and removal, and the Senate acts as a body to confirm or reject the man appointed to carry out the bill.

Mr. ROBINSON of Arkansas. Mr. President—

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. LA FOLLETTE. I yield.

Mr. ROBINSON of Arkansas. I do not see how it is practicable to give the legislative department the power to supervise these grants. Of course, if the Congress desired to do so, it could make the administrator's findings not final but advisory and give some executive authority the power to approve or reject.

Mr. BORAH. I understood when the bill was being prepared that the administrator was really the representative of the President—

Mr. ROBINSON of Arkansas. That is true.

Mr. BORAH. And that the President was to secure the information through his administrator, and that the President was to make the final approval.

Mr. ROBINSON of Arkansas. For my part, I would not object to modifying the language so as to make it subject to the approval of the President. The mere fact that the issuance of debentures and the sale of debentures must be approved by the President does not give him legal control over the grants. As a practical matter, however, I think the difference would be very slight. The administrator is, of course, the President's agent.

Mr. LA FOLLETTE. Exactly.

Mr. ROBINSON of Arkansas. I think that the practical result would not be different if we required express approval of the grant by the President.

Mr. LA FOLLETTE. The same thing would be true if there was a board created. It is an agency of the executive arm of the Government. So far as I know in matters of this kind we have to repose a certain amount of administrative discretion in order that the provisions of the bill, or the provisions of any other bill to accomplish this purpose, may be carried out.

Mr. ROBINSON of Arkansas. It would seem to me to be so impracticable as to be almost impossible to require Congress to review grants made under the bill before they shall become effective. It might result in such contests and delays as to thwart the very purposes of the bill.

Mr. LA FOLLETTE. May I say a word in reference to the amendment suggested a moment ago by the Senator from Michigan [Mr. VANDENBERG]. My own construction of the language is that the administrator has power to determine the question of whether or not a State or its civil subdivisions have made reasonable effort to raise the money needed for the purpose, but I do think that the language suggested by the Senator from Michigan emphasizes and sharpens that authority. So far as I am personally concerned I would interpose no objection to his proposed amendment.

Mr. VANDENBERG. Mr. President, may I ask the Senator from New York if he has any objection to the amendment which I propose?

Mr. WAGNER. May I have the Senator's amendment stated again?

Mr. VANDENBERG. On page 6, line 7, after the word "moneys", I propose to insert the words "which can be made", so that it will read, "the administrator finds that the combined moneys which can be made available within the State from all sources", and so forth.

Mr. WAGNER. I think that, perhaps, improves and more definitely expresses the purposes of the section.

Mr. VANDENBERG. May I ask the Senator from Colorado [Mr. COSTIGAN] if the amendment would be agreeable to him?

Mr. COSTIGAN. It would gratify me if the able Senator from Michigan would explain the purpose of the language which he is asking to have inserted. In my judgment, as at present advised, it does no harm.

Mr. VANDENBERG. The sole purpose, I repeat, is to emphasize the fact that the State must have made a good-faith effort to exhaust its own resources, and that that shall be one of the elements within the purview of the administrator in determining the eligibility of a State for relief under subsection (c) of section 4.

Mr. COSTIGAN. The Senator from Michigan does not intend that a State shall have actually exhausted its resources, but would leave the ultimate decision to the administrator?

Mr. VANDENBERG. It must be a discretionary decision sooner or later.

Mr. COSTIGAN. In that case there is no objection on my part.

Mr. VANDENBERG. Inasmuch as we are on the subject and it will save time, I ask unanimous consent to be permitted to offer the amendment at the present moment.

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Is there objection to the request of the Senator from Michigan? The Chair hears none.

Mr. VANDENBERG. I move to amend, on page 6, line 7, after the word "moneys", by inserting the words "which can be made."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. WAGNER. Mr. President, I move that subsection (d) of section 2, beginning in line 9, page 3, be stricken from the bill. A similar provision was inserted in the reforestation measure that was passed the other day. This would simply strike from the act of 1932, which provided for a \$300,000,000 fund for relief of the destitute, the limitation of 15 percent. We struck it out in order to provide funds for the State of Illinois pending the passage of the legislation which we are now considering.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, beginning in line 9, the Senator from New York proposes to strike out the following:

(d) Effective upon the date of the enactment of this act, so much of title I of the Emergency Relief and Construction Act of 1932 as limits the amounts available to any one State or Territory to 15 percent of the total funds available under such title is hereby repealed.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New York.

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, there is one further committee amendment which has not been disposed of. May we conclude with that before we take up any more individual amendments?

Mr. FESS. Mr. President, before we leave the particular section under discussion I want to ask the Senator from Wisconsin a further question. I refer to subsection (b) on page 5, in section 4, where it is said:

Each State shall be entitled to receive grants equal to one third of the amount expended by such State, including the civil subdivisions thereof.

What would "civil subdivisions" include?

Mr. LA FOLLETTE. My understanding is that that is a term which is all-inclusive of various entities of the local government, taking in municipalities, counties, townships, parishes, however the State is divided up, from the smallest unit of government up to the State itself. I have always understood that the proper term to use is "political subdivisions."

Mr. FESS. So have I, and that is why I raised the question.

Mr. LA FOLLETTE. But my understanding is that the word "civil" is recommended in that it is more embracing and more inclusive.

Mr. FESS. How shall we differentiate public money from private money?

Mr. LA FOLLETTE. The term "public moneys" was selected because it was felt that it defined the moneys appropriated from all units of government for relief purposes.

Mr. FESS. Any money that is raised by taxation would be "public"?

Mr. LA FOLLETTE. Yes; any money that comes out of any public treasury or activity or any unit of government for relief purposes. If a State levied special taxation for relief and used it for that purpose, that would be included. If a county had a special tax, that would be included. If a township had a special appropriation, that would be included. If a State had made a State appropriation for relief purposes, that would be included.

Mr. FESS. So there would be a record of all such moneys and it would not make any practical discrimination between what a city has done as a public function and what it has done through its private agencies?

Mr. LA FOLLETTE. Moneys raised from private sources for relief are eliminated from this calculation, but of course they would come under the calculation under section (c) because the language there used is "within the State from all sources." In other words, if a State complains that it cannot raise money under subsection (b) and comes to the Administrator and asks for moneys under subsection (c), it would have to show that the moneys from all sources, public and private, that can be made available are inadequate to meet the actual needs to relieve human suffering.

Mr. FESS. That is considerably broader than I understood from the reading of the bill. I assumed that "from all sources" meant public moneys only.

Mr. LA FOLLETTE. No; it means all sources. So, Mr. President, to recapitulate, under subsection (b) the only moneys which a State can include in its estimate, in order to secure from the Federal Government a sum equal to one third of the amount it has expended are moneys from public sources, from all the civil subdivisions of the State; but if another State claims that it cannot provide sufficient money and comes to the administrator and asks for funds under subsection (c), it will have to show that all the combined moneys that can be made available from public and private sources within the State are insufficient to prevent human suffering before it can get money under subsection (c).

Mr. FESS. That strengthens the subsection; but when I first read it, I had the same idea that I think the Senator from Michigan had, that there might arise a situation where the whole \$500,000,000, or nearly all of it, might be applied under subsection (c).

Mr. LA FOLLETTE. Our whole effort here is, first of all, to meet more adequately the appalling burden of human need and, secondly, do all that we can to stimulate all the various governmental entities to the utmost activity.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the committee.

The CHIEF CLERK. At the top of page 7 it is proposed to insert:

(f) The amount available to any one State under this act shall not exceed 15 percent of the total amount made available by this act.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. VANDENBERG. Mr. President, I should like to ask the authors of the bill whether there would be any wisdom in applying the 15 percent to the two subdivisions instead of to the total? Let me make that a little plainer. We have two groups of appropriations—\$200,000,000 in one place and \$300,000,000 in another place. It is proposed to permit a State to take its entire 15 percent out of either one or both. Would it not be safer to apply the limit to each of the two funds?

Mr. WAGNER. No, Mr. President. I think we have always considered the total amount which a particular State could get out of the funds that are available. Both the \$200,000,000 fund and the \$300,000,000 fund are available for need, to be distributed, as the Senator appreciates, according to varying conditions; but the total to be given to each State ought to be limited, and that is the limitation the bill imposes. It is a very large limitation.

Mr. VANDENBERG. I agree that it ought to be limited. My thought is that it ought to be still more limited. I do not think I have made myself plain. It seems to me, Mr. President, if a State has not made the initial appropriations which are to be matched under subsection (b), but takes all of its money under subsection (c), it is in a much easier financial situation than the State which undertakes to live under subsection (b); and it seems to me, if we permit a State to take its full maximum under subsection (c), that we have eliminated one more incentive to make it proceed so far as it can under subsection (b). I wonder if I have made that plain.

Mr. WAGNER rose.

Mr. LA FOLLETTE. Mr. President, may I interrupt?

Mr. WAGNER. Certainly.

Mr. LA FOLLETTE. Mr. President, on the other hand I should like to ask the Senator to consider this: I am sure that all of us hope that everything possible that can be done will be done under subsection (b) in order that we may have a situation where the State is providing two thirds of the money.

Mr. VANDENBERG. I agree to that.

Mr. LA FOLLETTE. If the Senator were to make his suggestion apply to subsections (b) and (c) separately, might not this occur, that 1 or 2 or 3 or 4 of the larger and richer States might be able to get their entire fund, if it were not limited to this specific section, from subsection (b), and, therefore, we would be cutting them off at a time when we want to stimulate them to further effort and forcing them under subsection (c)?

Mr. VANDENBERG. That might be true; but might it not also work in the reverse?

Mr. LA FOLLETTE. It could work the other way, but I am going to say again that we will have to rely upon the administrator to do what he can to keep the States under subsection (b); and I hope he is going to have backbone enough to do it.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield, if I have the floor.

Mr. BARKLEY. I had in mind the possibility indicated by the suggestion which has been made. A State which does not take advantage of subsection (b), by reason of its laws or for any other reason, to put up two thirds of the amount it may need, if it were allowed to draw the total 15 percent of the whole \$500,000,000 out of subsection (c), might draw \$75,000,000 out of the \$300,000,000, which is one fourth of the entire amount.

Mr. VANDENBERG. That is precisely the thing I am talking about.

Mr. BARKLEY. I do not see really any objection to the sort of limitation that has been suggested. I do not think it could work any harm.

Mr. WAGNER. The Senator means to provide a limit in each instance of 15 percent?

Mr. BARKLEY. Yes; to each fund; that is, to provide a total limitation on each.

Mr. WAGNER. I do not see any objection to that.

Mr. VANDENBERG. In other words, the provision would then read as follows:

The amount available to any one State under subsections (b) and (c) of this section shall not exceed 15 percent of the amount made available by such subsections.

Mr. BARKLEY. In other words, it does not seem to me that any one State ought to be allowed to take the whole 15 percent out of one fund so as to deplete it to such an extent as to make it difficult for other States to obtain fair amounts.

Mr. WAGNER. There is the possibility of permitting one State to draw the full 15 percent if we impose such a limitation. However, I think we are talking about things that are more or less academic and which do not matter at all.

Mr. BARKLEY. Of course, it may never occur.

Mr. WAGNER. I have no objection to the amendment proposed by the Senator from Michigan.

Mr. VANDENBERG. Then, Mr. President, I move to amend the amendment so that it will read as follows:

The amount available to any one State under subsections (b) and (c) of this section shall not exceed 15 percent of the amount made available by such subsections.

Mr. WAGNER. I have no objection to that amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment. If no further amendment be proposed—

Mr. FESS. Mr. President, I think the Senator from Alabama [Mr. BANKHEAD] has an amendment he desires to offer.

Mr. BANKHEAD. I have. It is my understanding, Mr. President, that all other amendments have been disposed of.

The PRESIDING OFFICER. The Chair will state that all committee amendments have been disposed of and the bill is before the Senate and still open to amendment.

Mr. BANKHEAD. I wish to bring up the amendment of which I gave notice and had printed and which I think is on the desks of Senators.

Mr. VANDENBERG. Mr. President, will the Senator from Alabama yield to me?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Michigan?

Mr. BANKHEAD. I yield.

Mr. VANDENBERG. I should like to submit one further inquiry to the Senator from New York respecting the bill.

Mr. BANKHEAD. I yield.

Mr. VANDENBERG. I want to inquire why these non-liquidating advances are to be made from the Reconstruction Finance Corporation instead of from the Treasury?

Mr. WAGNER. It is an emergency expenditure; it does not really belong in what we call the Budget for current expenses.

Mr. VANDENBERG. I am inclined to agree that that is correct.

Mr. WAGNER. If we finance this measure in that way, being an emergency expenditure, we thought we had better separate it from the Budget, dealing only with current expenditures.

Mr. VANDENBERG. I think the separation is justified, but I want to be sure that I understand the situation. This will be the first time, will it not, when we have put an obligation upon the Reconstruction Finance Corporation for which it will have no funds to pay? That is correct, is it not?

Mr. WAGNER. The Senator is accurate about that.

Mr. VANDENBERG. In other words, it is a convenience to charge this to the Reconstruction Finance Corporation, but sooner or later it has to be charged to the taxpayers, because the Reconstruction Finance Corporation can not liquidate it?

Mr. WAGNER. Unquestionably.

Mr. CONNALLY. Mr. President, will the Senator yield there?

Mr. VANDENBERG. I yield, if I have the floor.

Mr. CONNALLY. Let me say to the Senator from Michigan that all money of the Reconstruction Finance Corporation comes out of the Treasury; it never has sold a dollar of its own debentures; so it does not make any difference whether it comes out of the Treasury or the Reconstruction Finance Corporation.

Mr. VANDENBERG. The Senator has totally misconstrued the thing I am trying to say.

Mr. CONNALLY. I understand the Senator.

Mr. VANDENBERG. At least in theory, we have proposed heretofore that the Reconstruction Finance Corporation shall pay its own way, but now we are departing from that theory. I am not raising the question whether it is not justified; I am just making it plain that we are changing the former theory.

Mr. CONNALLY. It is only pure theory; it is not a fact at all.

Mr. WAGNER. This is the first time that the Reconstruction Finance Corporation has been dealing with a pure grant; heretofore they have dealt only with loans.

Mr. LA FOLLETTE. Mr. President, may I interject one other reason at this point for employing this method, which is that there is objection to the issuance of a further series of distinctive types of bonds? It has been the experience not only of the States and municipalities but also of the Federal Government that it makes financial operations unwieldy if there are a large number of different kinds of obligations outstanding. Therefore that was another consideration which suggested this means of providing the money rather than the issuance of another series of bonds for this purpose.

Mr. BARKLEY. Mr. President, I might also suggest that probably by this provision we are being honest with ourselves and not fooling ourselves, as we have been heretofore, into the belief that we are ever going to get any of this money back.

Mr. LA FOLLETTE. I think there is a lot in what the Senator says.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. COSTIGAN. It is also true, is it not, that the charge against the Reconstruction Finance Corporation need not be treated as a budgetary item?

Mr. LA FOLLETTE. That is correct.

Mr. COSTIGAN. The problem of balancing the Budget is not involved in this proposed legislation.

Mr. LA FOLLETTE. The Senator from New York emphasized that point.

The PRESIDING OFFICER. The amendment offered by the Senator from Alabama [Mr. BANKHEAD] will now be stated.

The CHIEF CLERK. At the end of the bill it is proposed to insert the following:

SEC. 9. That the Secretary of the Treasury shall cause to be engraved and printed currency of the United States in the form of stamp-money certificates. Said certificates shall be in the denomination of \$1 each, and the issue shall be limited to \$1,000,000,000. Said certificates shall be of a suitable size to provide space on the backs thereof for affixing 52 postage stamps. The backs of said certificates shall be prepared in such manner as to indicate clearly the proper place for affixing each stamp contemplated herein to the end that on the second Wednesday after the issuance of said certificates from the Treasury the first stamp shall be affixed, and thereafter on each Wednesday until a total of 52 stamps shall be affixed and said certificates in the spaces designated for affixing said stamps shall set forth the day of the month and year when each such stamp shall be affixed, as for example:

"On April 5, 1933, affix 2-cent stamp here."

The face of said certificates shall set forth substantially the following:

"This certificate is legal tender for \$1 for payment of all debts and dues, public and private, customs, duties, and taxes: *Provided*, That on the date of its transfer there shall be affixed 2-cent postage stamps for all dates prior to such date of transfer, as set forth in the schedule on the back hereof. When fifty-two 2-cent postage stamps shall have been affixed this certificate shall be redeemable at any post office for \$1 lawful money of the United States."

SEC. 10. The Secretary of the Treasury is authorized in his discretion to issue the certificates directed to be issued hereunder in monthly or semimonthly installments, all of like tenor and effect except that the schedule for the affixing of the stamps on the back of said certificate shall bear dates for the affixing of stamps appropriate to the date of the issue of each such installment of certificates.

SEC. 11. When such certificates appropriately stamped in full shall be presented to the Secretary of the Treasury for redemption he shall certify to the Postmaster General from time to time the amount of certificates so presented for redemption, and the Postmaster General shall thereupon pay to the Secretary of the Treasury out of the funds arising from the sale of stamps the sum of \$1 for each such certificate so redeemed, whereupon said certificates shall be destroyed.

SEC. 12. Prior to the issuance of the first installment of certificates hereunder the Secretary of the Treasury is directed, by posters to be hung in post offices and other public places, and by advertising in newspapers and magazines, to advise the public of the contemplated issue of these certificates, with appropriate directions to the public with reference to the affixing of stamps, the legal-tender quality of the certificates, their redemption feature, and all such similar information. There is hereby appropriated for the use of the Secretary of the Treasury to defray the cost of such advertising the sum of \$100,000.

SEC. 13. When such certificates shall have been issued by the Secretary of the Treasury the person holding the same, on and after 12:01 o'clock antemeridian of the first Wednesday set forth in the schedule on the back of said certificates, shall affix in the space therein provided a 2-cent postage stamp of the United States. Prior to such time said certificates in the hands of all holders shall be legal tender for the payment of all debts for the sum of \$1. After affixing the first stamp said certificate shall be legal tender as aforesaid for the payment of all debts until the following Wednesday, when another 2-cent postage stamp of the United States shall be affixed by the person holding the same prior to 12:01 o'clock antemeridian of such Wednesday, and thereafter for 50 consecutive additional Wednesdays like postage stamps shall be affixed by the holders. At all times when there shall be affixed all such postage stamps as are required to be affixed on the back of such certificates prior to the date of transfer, such certificates shall be legal tender as aforesaid for the sum of \$1. When fifty-two 2-cent stamps shall have been affixed on the back thereof the holder may present the same to any post office in the United States for redemption, and the same shall be redeemed by such post office in any present lawful money of the United States. All post offices in the United States are hereby charged with the duty of making such redemption and of forwarding such certificates for cancellation to the Secretary of the Treasury.

SEC. 14. With respect to such certificates as shall become unfit, through use, for further circulation, the Secretary of the Treasury and the Postmaster General are authorized and directed to provide for the exchange of such worn-out certificates for new certificates, and to make all regulations required for that purpose.

SEC. 15. It is declared to be against the public policy of the United States to provide in any contract executed subsequent to the date of this act that the certificates to be issued under this act, or any like issue, shall not be received in the discharge of such contract, and all such provisions in such contracts are hereby declared null and void.

SEC. 16. Said certificates, when accepted by the Government, shall be promptly reissued by any Department or agency of the Government receiving the same.

SEC. 17. In transactions of less than \$1 such certificates are not legal tender unless stamped by the person tendering the same for 1 additional week after tender.

SEC. 18. Banks of deposit receiving such certificates as deposits may charge 2 cents for each certificate so deposited as a service charge.

SEC. 19. The Secretary of the Treasury and the Postmaster General are authorized to promulgate regulations for carrying out the provisions of this act.

SEC. 20. If and when the wholesale commodity price level of all commodities included by the Bureau of Labor Statistics in computing index numbers of wholesale prices shall equal 80 percent of the average index number for the year 1926, then, anything to the contrary herein notwithstanding, the Secretary of the Treasury is directed to discontinue the issuance of certificates hereunder, and such certificates as are then outstanding shall be retired as the same are presented for redemption or replacement of worn-out certificates.

SEC. 21. The entire amount available under this act shall be apportioned among the States on the basis of population according to the Fifteenth Decennial Census. The amount apportioned to the States shall be delivered to the Governor of the State applying for the apportionment made to his State upon application being made therefor by the Governor to the Secretary of the Treasury. The amount apportioned to a State shall be administered within the State under rules and regulations adopted by the Governor thereof and through such agencies as he may establish. The amount apportioned to a State may be, by the Governor thereof, apportioned to the counties and/or to the municipalities of said State in such way as may be decided by the Governor.

SEC. 22. If the Governor of any State does not within 3 months after the passage of this act make application to the Secretary of the Treasury for the amount apportioned to his State, then said amount shall be reapportioned to the States making applica-

tion therefor, said apportionment being made on the basis of population according to the Fifteenth Decennial Census.

Sec. 23. The stamped money herein made available shall be used in payment for services, and/or materials and supplies rendered or furnished in any construction, improvement, or other work of a public nature, or in furnishing relief and work relief in the form of money, service, materials, and/or commodities to provide the necessities of life to persons in need as a result of the present emergency, and/or to their dependents, whether resident, transient, or homeless.

Sec. 24. When certificates are received by the Secretary of the Treasury for cancellation he shall issue new certificates in lieu of the canceled certificates and put them in circulation in such manner as he deems best.

Certificates as herein provided for shall be continued in circulation until price levels shall reach the level stated in section 20 and thereafter until the Secretary announces that they shall be finally retired.

Sec. 25. The money made available under section 2 of this act shall be used only in the event that the President ascertains that stamp money made available under this act is not suitable and effective to provide the relief intended to be provided by this act. The President may, if he deems best, order the use of a part of the money made available by section 2 of this act and a part or all of the money made available by this section.

Mr. BANKHEAD. Mr. President—

Mr. CONNALLY. Mr. President, will the Senator yield? The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Texas?

Mr. BANKHEAD. I do.

Mr. CONNALLY. I make the point that there is no quorum present.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	King	Robinson, Ark.
Ashurst	Couzens	La Follette	Robinson, Ind.
Austin	Dickinson	Lewis	Russell
Bachman	Dieterich	Logan	Schall
Bailey	Dill	Loneragan	Sheppard
Bankhead	Duffy	Long	Shipstead
Barkley	Erickson	McAdoo	Smith
Black	Fess	McCarran	Stelwer
Bone	Fletcher	McGill	Stephens
Borah	Frazier	McKellar	Thomas, Okla.
Brown	George	McNary	Thomas, Utah
Bulkeley	Goldsborough	Metcalf	Townsend
Bulow	Gore	Murphy	Trammell
Byrd	Hale	Neely	Tydings
Byrnes	Harrison	Norbeck	Vandenberg
Capper	Hatfield	Norris	Van Nuys
Caraway	Hayden	Nye	Wagner
Carey	Hebert	Overton	Walcott
Clark	Johnson	Patterson	Walsh
Connally	Kean	Pittman	Wheeler
Coolidge	Kendrick	Pope	White
Copeland	Keyes	Reynolds	

Mr. LEWIS. Mr. President, permit me to announce that the senior Senator from New Mexico [Mr. BRATTON] is necessarily detained from the Senate.

Mr. BYRD. My colleague, the senior Senator from Virginia [Mr. GLASS], is unavoidably detained.

The PRESIDING OFFICER. Eighty-seven Senators have answered to their names. A quorum is present.

Mr. BANKHEAD. Mr. President, before the quorum call I stated that I was calling up the amendment which I have proposed, and which is printed and on the desks of Senators, providing an additional method of financing this bill.

For the last 3 years we have been besieged from all quarters of this country, and justly so, I think, with demands that we should balance our Budget. Recently we took very heroic action to bring about that result. Now, within 2 weeks, we are presented with a bill which, in effect, to the extent that our economy bill tended to balance the Budget, will have exactly the opposite result, and to the same extent.

We voted here—and I voted that way—to bring about a saving of \$500,000,000, taking the money from the soldiers and the Federal employees and out of our own pockets. The bill now before us provides for an expenditure of approximately the amount of the savings contained in that bill.

I have no reluctance in voting for any measure that is necessary to prevent suffering and distress in this country. I have no reluctance in voting for this bill in its original form; but it does seem to me that if we have or can find some reasonable method of providing the finances, rather

than directly neutralizing the effect of our economy program, it is the part of good judgment and patriotism and courage to do so.

I have heretofore addressed the Senate on the subject of stamp money. I made a speech on that subject during the last session. Many Members of the Senate are familiar with my views and with this plan. Every informed man knows that it is not of my origin. It has recently been sponsored by two of the great economists of the country—Prof. Irving Fisher and Prof. John R. Commons, of the University of Wisconsin. So I have not any reluctance in presenting this plan to the Senate with the backing and real sponsorship of great economists of the type I have named.

I further point out to the Members of the Senate—because I know it is within their knowledge—that people in all sections of this country, in municipalities beyond counting, have been considering, in recent months, the establishment of a system similar to this—a stamped-certificate program for voluntary circulation, and without the character of legal tender.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. BANKHEAD. I shall be glad to yield.

Mr. LONG. What has become of the inflation that we were going to have?

Mr. BANKHEAD. I have not seen any yet, Mr. President. I have heard a good deal of talk by Senators who favored some form of inflation. For the last two years I have been one who has believed that some controlled expansion of the currency—not a wild expansion, but a controlled expansion of the currency—was an essential to bring commodity prices in this country up to a level where debtors could ever hope to pay the debts that they owe. But, Mr. President, this is not a direct form of permanent inflation. This is a form of expansion which in itself, and by its very terms and limitations, is self-liquidating, and expires and is retired when it has served its purpose. Therefore the old gold-standard worshippers, who always shiver when some suggestion is made about some form of circulating medium that is not backed by 100 percent of gold, need have really no fear about the effect upon the gold standard of the enactment of this proposal.

For the information of those who are not familiar with the mechanics of the plan permit me to say that the amendment provides for the issuance of \$1,000,000,000 in 1-dollar bills. This money is to be a legal tender for the payment of all debts, public and private, customs and dues, just as is any other money issued by the Treasury. It is to be stamped on each Wednesday with a 2-cent postage stamp; and that process is to continue until 52 stamps have been attached, thereby placing in the Federal Treasury \$1.04 for the redemption of each dollar issued. There is a blank space upon the back of the certificate dated each Wednesday; and when Wednesday arrives, that stamp—a 2-cent postage stamp—must be attached before the dollar can be transferred or further circulated.

Mr. President, let us look briefly at the effect of the issuance of that type and volume of money.

I have just stated that it in no way constitutes a burden upon the gold standard. It has no gold coverage. It is paid for by postage stamps bought by those who own it as it travels from time to time in circulation.

Everybody recognizes that one of our great difficulties is not really the amount of money, if bank credits were otherwise normal. We have more money outstanding from the Treasury, in theoretical circulation, than we have had for many years. Everybody recognizes that the difficulty is the velocity of circulation. The money in theoretical circulation, or outstanding from the Treasury, is not in actual use and circulation.

The argument has been made by bankers, by financiers, by those who are interested in having no change in our currency system that the whole difficulty is that the velocity of circulation has slowed down to such an extent that it has brought about the paralysis of business.

If that is a correct diagnosis of the situation, why is it not the practical thing, the sensible thing, to seek a cure for that specific trouble? If the worst difficulty we have now in our business affairs is the failure of money to move in circulation, a lack of velocity of circulation, then what diagnostician would not immediately inquire, How may the velocity of circulation be accelerated?

Here is a form of money which must circulate, which bears a penalty if hoarded, which must move or lose its value, exactly the opposite of the type of hoarded, hidden money which now constitutes the only medium of exchange between the people of this country.

Mr. President, who can deny that money which costs 2 percent a week to hold will move with great rapidity? Everyone who comes into possession of one of those dollars will immediately dispose of it, or as quickly as he can, for fear that Wednesday may come and find him still holding that dollar.

Mr. NYE. Mr. President, will the Senator yield?

Mr. BANKHEAD. I gladly yield.

Mr. NYE. With others, I am very anxious to know what the Senator's plan is of putting this money into circulation. Can he explain that for us?

Mr. BANKHEAD. I will be delighted to explain it to the Senator. The bill makes available \$500,000,000 for use as specified in the bill, for unemployment relief purposes. I will read, as a more concrete answer to the Senator, section 23, page 7, of my amendment:

Sec. 23. The stamped money herein made available shall be used in payment for services and/or materials and supplies rendered or furnished in any construction, improvement, or other work of a public nature, or in furnishing relief and work relief in the form of money, service, materials, and/or commodities to provide the necessities of life to persons in need as a result of the present emergency, and/or to their dependents, whether resident, transient, or homeless.

In short, the latter half of that statement is a copy from the pending bill, setting forth how the money, the \$500,000,000 herein appropriated, is to be used, for exactly the same purpose, using exactly the language of the bill.

Mr. NYE. Mr. President, that provides for only half of the amount of issue the Senator proposes in his amendment.

Mr. BANKHEAD. Yes. I am extending the amount for at least two reasons. In the first place, with money of this kind, which is not a burden upon the taxpayer, the Government can certainly be more liberal in the amount it pays for daily wages to the unemployed. It can well afford to pay \$2 of this money, which does not come out of the pockets of the taxpayers, where it contemplates, forsooth, paying \$1 out of the \$500,000,000.

It can well afford to elevate the standards of relief which, according to statements of many of our friends, needs so much to be done, without putting any additional burden upon the taxpayers of this country. Then it would have, in my judgment, as well as in the judgment of some of our outstanding economists, the effect of stimulating purchasing in this country.

It would provide a new source of income, which is not now available. It would provide a type of income, as I have just stated, which would move as fast as the owner got it. So that it would go into the channels of trade; it would create an additional purchasing power, which would stimulate, in the stores, a great volume of business.

It would be used for the payment of debts wherever owed, and doubtless most of those who collected it on a debt owe debts of their own, and from them it would move on to others, creating not only a new current of exchange and of currency but one moving with that rapidity and swiftness which characterizes water moving down a precipice. So that, instead of having \$500,000,000, as contemplated in the bill, I have deliberately put the amount at \$1,000,000,000, because it would go so much farther in the matter of aiding the distress of the unemployed, without any additional burden upon the Treasury, and at the same time would give that one essential need of the time, that is, a rapidly circulating currency in the channels of trade which would

stimulate buying, flutter up prices, and bring about additional labor and additional employment.

Mr. NYE. Mr. President, then we are to understand that where the Government, under this relief bill, would aid to the extent of half a billion dollars, the Senator is going to double, through his method, the amount of aid that would be carried directly to the people?

Mr. BANKHEAD. I am glad the Senator has asked me that question. I want to make a special appeal to Senators on the very point the Senator has developed. The amendment does not make the use of this money compulsory upon the Government in lieu of the \$500,000,000 provided in the bill. The amendment in the last section contains this provision:

The money available under section 2—

The \$500,000,000—

The money made available under section 2 of this act shall be used only in the event that the President ascertains that stamp money made available under this act is not suitable and effective to provide the relief intended to be provided by this act. The President may, if he deems best, order the use of a part of the money made available by section 2 of this act and a part or all of the money made available by this section.

I want to submit to the Members of the Senate who are interested—and most of us are—in an adequate relief program to protect the suffering that the adoption of this amendment would not in any way imperil the adequate carrying out of that program as contemplated by the authors of the bill. If in his investigation the President finds that this money is not suitable and will not be adequate for this purpose, then, of course, under the terms of the bill, none of it will be used. On the contrary, if he finds that it will serve that purpose, then he has available not only the original appropriation, if he wants to use it, but, if he does find it suitable and effective for that purpose, he can close the door of the Treasury and keep impounded there the \$500,000,000 which we have taken recently in the economy bill from the soldiers and Federal employees of the Government, and at the same time, assuming that the President finds it effective and suitable, render a correct degree of relief service with this money by itself.

Mr. President, in the discussion of this question I have found but one objection anyone has raised to it, except the old, old claim that we ought not to venture into any new matter that touches or involves in any way the circulating medium of the country, that we ought not to disturb the long-established banking technique, that we ought to follow for an indefinite time the formulas proclaimed by the financiers of this country, notwithstanding the deplorable plight to which it has brought our country.

Aside from that general conservatism, that lack of courage and vision, as I deem it, to venture out upon a new road, when we must move somewhere, the only objection I have heard to it is that it is in the nature of a sales tax. I submit, in the first place, that it is not a sales tax; it is a tax upon new income, in the form of an income tax, because but for this money those who pay the taxes would not have that money and that income. But if it should be a sales tax, if it circulates four or five times a week, as is estimated by Professor Fisher and others, it will constitute on an average of less than one half of 1 percent. What merchant with his store empty of customers, with no trade, would not readily accept this money when he can pass it on to his jobber, or his grocer, or his landlord, or the telephone company, or the tax collector? What creditor would not accept this money from his debtors, who are now totally unable to pay him?

Mr. NYE. Mr. President, will the Senator yield further?

Mr. BANKHEAD. I yield.

Mr. NYE. In answer to the question the Senator propounds to himself, is not the answer this, that the only people who would object to receiving that kind of money would be the people whose sole intent in receiving money is to hoard it away, stuff it away somewhere, where it does themselves or no one else any service?

Mr. BANKHEAD. I think very largely the Senator has described the class who would object to receiving it. But

the great mass of business people in this country, big and little, can use this money and would be glad to get it on obligations owing to them or in exchange for goods for which they now have no purchasers.

Mr. President, in 1929, a year of great prosperity and business activity in this country, the volume of the store sales was only \$50,000,000,000 a year. We proposed to put in circulation a billion dollars, which, when all is in circulation, will turn over once a week at least, but by the most conservative estimates three times a week. But if it turns over on an average but once a week during the 52 weeks of the year, in this money alone, if other money went into hiding, there would be the basis for transactions as great a volume of purchases as took place in 1929 in all the stores of America.

Who can be afraid that here is involved an uncontrolled inflation of currency? The money is self-liquidating. It provides for a limited amount and it costs \$1.04, as I stated, in the movement and circulation of each dollar during the year. There is no danger to our present money system.

I call attention to the fact that under the banking situation we have recently contracted credit in this country to the extent at least of \$4,000,000,000, frozen in closed banks. No one seems to be alarmed about a mere matter of contraction of credit even to the extent of \$4,000,000,000. But when the other side of the picture is presented, when the suggestion is made merely for a liberalization of the circulating medium, notwithstanding it is self-liquidating and only for \$1,000,000,000 to neutralize the contraction of \$4,000,000,000 in the closed banks, we find growing out of that old banking spirit that has pervaded the country great indifference and opposition to any plan that looks to or has any tendency toward a liberalization, to a reasonable and limited extent, of the circulating medium, a type of medium that will move in trade and commerce like a runaway horse.

That is the thing we need, gentlemen of the Senate. We need money that people will not put into a sock or a safe-deposit box somewhere or, forsooth, keep it in their pockets for some future distant day. We need a movement of money. If we can bring that about, if we can start active trading, if we can start active business, the payment of debts, then who can not visualize the relief to debtors in the reduction and payment of their debts by the turnover? If this money turns over only three times a week, it would mean the payment of \$150,000,000,000 worth of debts in a year. It may have the appearance to some of doing too much, but I challenge any man upon the floor of the Senate in his reason, in his disinterested investigation of the subject, to point out why it will not have the effect I have indicated.

The difficulty here as I find it—and I know other Senators recognize it—is that we are all engrossed in matters in which we or our constituents are interested or in some special phase of legislation to the point that we have not the time or the disposition to go fully and carefully and deeply into subjects which have not been pressed upon us. I recognize the situation that prevails here with reference to any plan that may be proposed. I recognize the difficulty of the situation. I hope to have a vote, if we can get it on this program, which offers, if it is effective, a tremendous amount of aid and relief not only to the unemployed, not only to the business interests of the country, but to the taxpayers.

In view of the importance of the program, whether Senators agree to it or do not agree to it, we find here a mere handful of Senators giving attention to the discussion of a program involving the issuance of \$1,000,000,000 of currency and a saving to the Treasury of \$500,000,000. We find indifference, closed minds, unwillingness upon the part of most Senators, who are now absent from the Chamber to think about subjects of this kind, to labor with them, to investigate them, to deal with them in accordance with whatever little or no merit they have.

I merely mention that to point out the difficulty of getting action by the Senate on any program that has not been agitated throughout the country for a long season and as a result a fire built up back home such as is done by propa-

gandists in connection with various measures pending before the Congress. It is difficult to get consideration and, I might say, real thoughtful action. I know that Senators differ. I welcome any difference. I always admire the open-mindedness and the fixed conviction of any man here upon any subject. The thing of which I complain is so much indifference upon the part of so many Senators, not alone with reference to this measure but others. We have had before us all day a bill proposing to appropriate \$500,000,000, with only a handful of Senators in attendance.

Mr. President, I hope the matter will be given the consideration which it deserves. If anyone wishes to ask me any question about the operation of the proposed amendment I should be glad to undertake to explain it the best I can.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. BANKHEAD. I yield.

Mr. LONG. I do not know that I want to ask the Senator about the operation of the amendment so much as I want to get the benefit of the Senator's advice and information on the present-day situation generally regarding money. I had understood that we were going to have what the Senator from Alabama describes as a controlled expansion of the currency. Has the Senator investigated lately to see about how much expansion we have had since the special session began?

Mr. BANKHEAD. I have made no specific investigation. It is currently understood, however, that there has been put into circulation practically none of the new money provided. That, of course, is a happy result, not because it did not get into circulation, but because the reason that avoided it going into circulation was the reestablishment, under the leadership and advice of our great President, of confidence throughout the country by the people in the banks that were reopened. As a result of that practically none of the new money went into circulation. But, as I have indicated, on the other hand there is a contraction, no expansion, but a contraction of about \$4,000,000,000 as a result of the unopened banks, so that instead of having an expansion we have had exactly the opposite, a contraction.

Mr. LONG. I think the Senator and I are two of the Senators here who have more or less supported every effort to bring about an expansion of the currency. The Senator has answered that there has really been a contraction. Does not the Senator think that our real crying need, regardless of what may be necessary to keep certain banks open, is a substantial and immediate expansion?

Mr. BANKHEAD. It has been my judgment for more than 2 years that we must have some elevation of prices by an expansion, or else a liquidation that is too horrible to think of. I do not see any relief in sight now.

Mr. REYNOLDS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. BANKHEAD. I yield.

Mr. REYNOLDS. Is it not true that a plan similar to the one the Senator has suggested has been very successfully operated in several of the foreign countries?

Mr. BANKHEAD. Yes. The plan first started in Germany and operated there with such success, according to the information given me by Prof. Irving Fisher, that it was regarded by the bankers and financial institutions as elevating prices too fast for the good of the country. As a result of that, although it was voluntary, they induced the Government to intercede and stop it because of the effect on prices. They have been operating under inflation in Austria for more than a year. Professor Fisher furnished me with a report sent to him by one of his agents who went there to investigate. The report indicates that the plan is working with entire success and with satisfaction to the entire business interests, including the bankers, and that their deposits have increased materially since the plan was put into effect.

Mr. REYNOLDS. Is it not true that if the Senator's plan were put into operation and should operate as eminently successfully as similar plans have operated in other countries, it would develop a profit of millions of dollars annually for this Government?

Mr. BANKHEAD. I think there can be no doubt about it.

Mr. NYE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Dakota?

Mr. BANKHEAD. I am glad to yield.

Mr. NYE. In line with the question asked and suggestion made by the Senator from North Carolina, may I not suggest that if the experience in Germany were a true experience we ought not to fear it here in the United States. I mean by that, should we be at all fearful of inflating prices in the United States? Is not that precisely what we have been striving to do for years?

Mr. BANKHEAD. It would have the best possible results for the welfare of our country, in my judgment. It is the thing for which the Committee on Agriculture and Forestry has been laboring for the last few weeks in an earnest and sincere effort to increase prices, especially farm-commodity prices, in this country.

Mr. NYE. There is at least one more point I should like to hear the Senator discuss, even though it might be but briefly. Let us presume his plan would be made effective and were to operate for a year and were to work out as successfully as the Senator thinks, and, I am sure, I believe it would work out, would not the effect straightway be one of encouraging the further use of this kind of money, a people's money rather than a bankers' money? Is not that perhaps the reason why we find our banking fraternity in the United States so much opposed to the least consideration of proposals of this kind?

Mr. BANKHEAD. I agree with the Senator so far as I have information. Certainly we all know that the bankers are opposed to anything that appears to conflict or interfere with or limit their monopoly of money.

Mr. CONNALLY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Texas?

Mr. BANKHEAD. I yield.

Mr. CONNALLY. The Senator has studied the question more extensively than I have, and I am sure he can give me the information I seek. I want to ask the Senator this question: Here is a certificate of currency, or whatever it may be called. The man who holds it undertakes to pass it, and puts a 2-cent stamp on the back of it.

Mr. BANKHEAD. He does, if he holds it until Wednesday after he gets it. If he gets rid of it on Thursday or Friday or Monday or Tuesday, he does not do so.

Mr. CONNALLY. He will not hold it any longer than he has to; in other words, he will get rid of it as soon as he can, will he not?

Mr. BANKHEAD. No; not necessarily.

Mr. CONNALLY. If he can find anybody that will take it, of course, he will get rid of it as soon as he can.

Mr. BANKHEAD. He can find somebody who will take it, if he owes them something.

Mr. CONNALLY. Here is a man with a certificate. He puts a 2-cent stamp on it and goes down to the store to buy a dollar's worth of goods. How are we going to force the merchants to sell him a dollar's worth of goods for a piece of paper that he cannot get anything out of until he puts 98 cents more on the back of it? That is the mechanics of the operation. How are we going to make the merchant accept that kind of money?

Mr. BANKHEAD. I will say to the Senator with perfect frankness that we could not do it.

Mr. CONNALLY. Then what good would it do?

Mr. BANKHEAD. One cannot make a man sell him goods for gold if he does not want to do it.

Mr. CONNALLY. The question I ask is, What good would it do to have a certificate if the holder could not get anybody to take it?

Mr. BANKHEAD. The point is that it will be taken.

Mr. CONNALLY. I am frank to say to the Senator that I would not take it.

Mr. BANKHEAD. Would not the Senator take it from a man who owed him if the Senator thought he could not collect in any other way? The Senator could pay someone he owed with it.

Mr. CONNALLY. He certainly could not. I have some debts owing me, but I hope to get more than 2 percent on them.

Mr. BANKHEAD. Does the Senator mean more than 98 percent?

Mr. CONNALLY. No; I mean a certificate with 2 cents in stamps on the back of it. I would not want to take that for a dollar's worth of goods. I would rather "cuss" the one offering it for not paying me and let him go.

Mr. BANKHEAD. If the Senator could find somebody he owed before the next Wednesday, it would be worth a dollar to him on that day.

Mr. CONNALLY. How?

Mr. BANKHEAD. Because it is made a legal tender.

Mr. CONNALLY. I am in sympathy with the Senator—

Mr. BANKHEAD. Mr. President, I want to explain further, because I know the Senator from Texas is making his inquiries in good faith.

Mr. CONNALLY. How could the Senator say that we could make a man take one of these certificates unless a surgical operation were performed to open him up and it was inserted inside him and then he was sewed up again?

Mr. BANKHEAD. I want to explain to the Senator because I know his good faith in this matter and that the questions are asked for the purpose of eliciting information. In that spirit I want to undertake to answer the questions.

Mr. CONNALLY. I hope the Senator will not regard my questions as frivolous.

Mr. BANKHEAD. No. I say I will undertake to answer them in the same spirit in which the Senator asks them.

Mr. OVERTON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. BANKHEAD. I yield.

Mr. OVERTON. The amendment the Senator proposes provides that the certificate shall be legal tender, and so it would have to be accepted in payment of a debt, and it would have to be accepted, as I understand, for the payment of any purchases made. Is not that correct?

Mr. BANKHEAD. It would have to be accepted in payment of purchases on credit. You cannot make a man exchange with you unless he wants to; but if he credits you and puts you on his books, that is a different matter.

Mr. OVERTON. One could go in a store, buy \$5 worth of goods, have the goods delivered to him, and the debt thus credited to his account could be paid with one of these certificates.

Mr. BANKHEAD. I think a merchant could post a notice that he would not take this money, or any other money for that matter; he could do that with gold.

Let me, however, explain the matter further. The proposition suggested by the Senator from Texas is the difficulty in, and obstruction to, the movement of this money, because one cannot force a merchant or any other tradesman to exchange goods for this particular money. As I said in the beginning, that is clearly true; one cannot force him to do it. As I have said, one cannot force him to take gold. One cannot force him to exchange his goods for anything. That is a matter of agreement, of course, and of consent. But now let us revert to the question of whether the merchant would do it, and let us see why he would do it or why he would not do it. Without diverting, I want to say to the Senator that at least in one place about which I am informed, Hawarden, Iowa, they have had this plan in voluntary operation for a number of months, and, although the money thus issued is not legal tender, the merchants have agreed to accept it, and the money, I am informed—and I had a letter about it from that point a few days ago—has

circulated freely and has greatly benefited trade in that community.

The association that inaugurated the movement out there wrote me that they had inquiries from nearly 2,000 cities in America requesting information about the plan for the purpose of putting it in operation in those communities.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Texas?

Mr. BANKHEAD. I yield.

Mr. CONNALLY. I do not want to divert the Senator.

Mr. BANKHEAD. That is all right.

Mr. CONNALLY. But speaking about the legal-tender character of the proposed money, I can understand how when the Government emits money, which it has power to do under the Constitution, and says, "This is a dollar", it has the incidental power, according to decisions of the Supreme Court, of making that money legal tender for the payment of debts, but in the case of the Senator's proposal he does not make it money of the Government; he is providing a certificate, which is not money and is not even redeemable in money until there have been \$1.02, or is it \$1.04—

Mr. BANKHEAD. One dollar and four cents.

Mr. CONNALLY. Of stamps placed on it. How can you make money out of something that is not money and you do not claim that it is money until the conditions have been fulfilled, and even then it is not money, and is not redeemable in money. How can you make that kind of thing legal tender for the payment of debts? I am sincere, I will say to the Senator, in this matter.

Mr. BANKHEAD. I do not see really any legal difficulty on the point raised by the Senator. Greenbacks are nothing but paper.

Mr. CONNALLY. A greenback is a promise to pay.

Mr. BANKHEAD. Yes; it is a promise to pay, and so is this a promise to pay upon the conditions set forth. A greenback has no intrinsic value. It does not even provide a method of liquidating itself, as does the money I propose. The greenback is nothing but a green slip of paper on which there is some printing. Its value, Mr. President, and its efficacy do not rest upon the intrinsic value of the currency thus issued; they do not rest entirely upon the promise of the Government to pay, though, of course, that is what inherently gives it its value; but it rests upon the power granted to Congress under the Constitution to create legal-tender money, and whatever form of money Congress specifies for that purpose is constitutional and legally effective. It is simply an exercise under a direct grant of the Constitution to the Congress, and it has been exercised, as we all know, heretofore by the issuance of a mere greenback or piece of paper, not redeemable in gold, not redeemable in silver, not redeemable in the receipts from postage stamps, but being nothing but a certificate issued under the authorization of Congress and which has been made by the declaration of the law legal tender in payment of debts, public and private. The Supreme Court of the United States sustained the validity of that act and the legal-tender effect of that paper, which had no redemption of any kind behind it except the promise of the Government to pay.

Mr. NYE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Dakota?

Mr. BANKHEAD. I yield.

Mr. NYE. Does not the Senator from Alabama propose to make this new money legal tender from the time of its issue, from the time it is put in circulation?

Mr. BANKHEAD. That is the proposal.

Mr. NYE. Then, does that not answer the query raised by the Senator from Texas?

Mr. BANKHEAD. I think it does. I have great confidence in the judgment of the Senator from Texas and am anxious to convince him, for I know he is one Senator who is anxious to bring about relief from the present money situation, and I wanted to suggest to him that the money from

the time it is issued, without waiting for a 2-cent stamp on it, as he seems to think—and I can readily understand that because he has not given study as yet to the mechanics of the proposal—but from the time it is put into the hands of some laborer or is paid out for the purchase of supplies or material, however it goes out, from that moment it is legal tender under the authorization of Congress and the Constitution in the payment of debts of every character. It is true that a self-liquidating feature is attached to that legal-tender money, instead of relying solely upon the unsupported promise of the Government, backed by gold or silver or anything else as the greenback is. The proposed money has the additional force and strength of having provision made by which it will automatically be redeemed. I think the discussion of that subject disposes of it, at least to my satisfaction. Now I want to discuss another feature.

Mr. CONNALLY. Mr. President, may I ask the Senator another question?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Texas?

Mr. BANKHEAD. Do not let me forget to come back to the suggestion regarding the merchant which the Senator made. I want to discuss that.

Mr. ADAMS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield; and, if so, to whom?

Mr. BANKHEAD. I yield to the Senator from Colorado.

Mr. ADAMS. I was trying to work out a sympathetic attitude toward this proposal, but here is the inquiry that occurs to me: If my debtor comes to me owing me a dollar, if I am compelled to accept the certificate for a dollar as it has just been issued, there being no stamp on it, and it is legal tender in the payment of the dollar of indebtedness to me—

Mr. BANKHEAD. Just like the old greenback was.

Mr. ADAMS. If for any reason I am unable to transfer it and it remains in my possession for a year, in order to get my dollar back I have got to put \$1.04 in stamps on it in addition, do I not?

Mr. BANKHEAD. That is exactly the object of it, to keep you from holding it for a year.

Mr. ADAMS. So that it would cost me \$1.04; it would cost me 104 percent to get back my own money.

Mr. BANKHEAD. Undoubtedly that would be so if the Senator wanted to hoard a dollar. This provision is made to prevent one from hoarding it, and what the Senator has suggested would be the effect of hoarding it for a year. However, it is inconceivable to me that a man cannot within a year find some way to use a dollar. Surely, if he is like most of us, he owes some debts—whether a funded debt, or a rent obligation, or a grocery bill, or a telephone bill, or taxes. In whatever form obligations exist—and they are current all the time—it is almost impossible for any of us to escape current obligations to which this character of money could be applied.

Mr. ADAMS. There must be contributed somewhere along the course before redemption an additional \$1.04, either in 2-cent installments or in other installments.

Mr. BANKHEAD. That is right.

Mr. ADAMS. Sooner or later, before the certificate can be cashed, there must be \$1.04 contributed, either by the one who holds it or by intermediate holders.

Mr. BANKHEAD. And that is the very heart of the plan, because the prescription is made to cure a definite ailment, and that ailment is the paralysis of the medium of circulation, either on account of deliberate hoarding or on account of lack of confidence, as a result of which people either hoard the money, put it in savings accounts, or leave it somewhere inactive and out of use. This prescription is made to find a circulating medium which can be used in that way, unless the person who holds it will neither spend it for goods nor spend it in the payment of his debts. We know that every man can find some way of spending it; but if he does not want to spend it, then he is destroying the purpose and the object of this form of money, that ob-

ject being to have money that will move with great velocity of circulation.

Mr. ADAMS. May I ask one further question?

Mr. BANKHEAD. To be sure.

Mr. ADAMS. I desire to ask the Senator how the certificates will operate in the case of bank deposits. If I have some of these certificates, and I take them to a bank, is the bank able to carry them in any way, or must the bank move them on?

Mr. BANKHEAD. I may say to the Senator that the amendment provides that where a deposit is made in a bank, the bank may charge 2 percent as a service charge. The object is to encourage the banks to handle deposits of this kind; but it puts them in position to keep the certificates longer than the ordinary holder can keep them before passing them out.

Mr. ADAMS. But the certificates would not be available for cash reserves for any extended period of time?

Mr. BANKHEAD. No; the amendment does not provide that at all.

Mr. REYNOLDS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. BANKHEAD. I am glad to yield.

Mr. REYNOLDS. As I understand the Senator's plan, it is for the purpose of putting these certificates into circulation.

Mr. BANKHEAD. Exactly.

Mr. REYNOLDS. In that particular connection, I recall that this morning, in my Committee on Banking and Currency, it was brought out by one of our Cabinet Members that there are now in the closed banks of this country \$4,000,000,000, \$3,000,000,000 of which are to be found in the State banks that are closed and \$1,000,000,000 in the member banks. It is my understanding that if America were today the possessor of all the gold in the world, and if, upon that gold, certificates of exchange like this were not issued, we would not be any better off than we are today.

I hold in my hand a \$10 bill that was issued by the Federal Reserve bank; and that is backed up by what? By exactly what it says on the face of this note—by "United States bonds and other securities." I do not know what those "other securities" are. The Senator doubtless does not know what they are.

Mr. NYE. Mr. President, may I correct the Senator from North Carolina? This \$10 bill does not say, on its face, that it is backed by "United States bonds and other securities", but by "United States bonds or other securities."

Mr. REYNOLDS. Yes—"or other securities."

The Senator's plan, as I understand, is to place in circulation the people's money.

Mr. BANKHEAD. That is correct.

Mr. REYNOLDS. And as a result thereof the bankers do not want that done, because they do not want their money substituted. That is correct, is it not?

Mr. BANKHEAD. That is right. We want a form of money that will not run into the banks and stay there. Our problem has been, all the time, to get money out of the banks.

Mr. BARKLEY. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. BANKHEAD. I am glad to yield.

Mr. BARKLEY. Let me ask the Senator, for instance, how I would get hold of one of these certificates, so that I could begin putting these stamps on the back of it?

Mr. BANKHEAD. How does the Senator get a dollar under the pending relief bill?

Mr. BARKLEY. Any kind of dollar that I get I usually get by selling something, or performing some service.

Mr. BANKHEAD. All right. The Senator was not here, of course, when I began the discussion, or he would not ask that question.

Mr. BARKLEY. No; I am frank to say that I was called out, and I did not hear the Senator's first statement.

Mr. BANKHEAD. Let me repeat it for the benefit of the Senator. The object of offering this bill as an amendment at this time—and I gave notice to the Banking and Currency Committee that I would do it—is to provide an alternative method of financing the money appropriated under this bill.

The bill, as the Senator knows, provides \$500,000,000. This amendment is not compulsory. I hope the Senator will get that clear. It provides that unless the President finds that this money is not suitable and will not be effective to provide the relief for which this bill is intended, this money shall then be used in part or in whole, or he may use a part of the original appropriation and a part or all of this. If this amendment is adopted and the money is found to be effective by the President and his Secretary of the Treasury upon investigation, he then has the opportunity to use it, and keep in the Treasury without any additional burden the \$500,000,000 that we took from the soldiers and the Federal employees. If he finds that this money is not suitable for this purpose, no injury is done; merely the opportunity is afforded to save the \$500,000,000.

The Senator wants to know how this money will get into circulation.

Mr. BARKLEY. Just a minute on that point. The Senator is offering this proposal as an amendment to this bill; but originally it was offered, not as an amendment to any bill but as a substantive measure, without regard to any relief.

Mr. BANKHEAD. Yes.

Mr. BARKLEY. It authorizes the issue of a billion dollars' worth of these stamps, providing that on the back of them there is room enough for 52 other stamps of a different kind.

I do not contemplate, and I do not suppose the Senator contemplates, that this billion dollars, or any portion of it, shall just be printed by the Treasury and passed out to the public. There must be something that passes from the public to the Treasury, I imagine, in order to get one of them, because the Senator provides that from the time these certificates are issued they are legal tender for a dollar. Even before a stamp is put on the back of one of them it is legal tender for a dollar.

Mr. BANKHEAD. I understand the Senator's question, if he will let me answer it.

Mr. BARKLEY. All right, that is what I am trying to get.

Mr. BANKHEAD. I will answer the question by reading again, as I read while the Senator was out of the Chamber, the method provided in the bill for getting this stamped money into circulation.

Mr. BARKLEY. What page is it on?

Mr. BANKHEAD. It is section 23, on page 7. This stamped money is made available in payment—not as a gift—

for services, and/or material and supplies rendered or furnished in any construction, improvement, or other work of a public nature, or—

And here we use language that is in the bill now under consideration—

or in furnishing relief and work relief in the form of money, service, materials, and/or commodities to provide the necessities of life to persons in need as a result of the present emergency—

And so forth.

It is gotten into circulation exactly in the same way that the money appropriated by the provisions of the original bill is paid out.

Mr. BARKLEY. Let me illustrate by using myself again—a very poor illustration.

Could the Government decide, if it desired to do so, to pay me my salary next month in this money that the Senator is providing for here?

Mr. BANKHEAD. Not originally, no; because I assume the Senator is not putting himself in the destitute class.

Mr. BARKLEY. Well, I am not so sure about that.

Mr. BANKHEAD. At least, the Senator has not yet gotten on the list.

Mr. BARKLEY. But if this money is legal tender—
Mr. BANKHEAD. It could, ultimately, be paid to the Senator in payment of his salary.

Mr. BARKLEY. If it is to be legal tender from the time it is issued, I presume the Treasury could pay it to anybody that the Government might owe, in the payment of a debt.

Mr. BANKHEAD. Originally it cannot do that, because the method is provided here.

Mr. BARKLEY. Well, assuming that the Government does, under this bill, pay me my month's salary in these stamps—

Mr. BANKHEAD. All right; maybe it could.

Mr. BARKLEY. Then I have to put a 2-cent stamp on each dollar's worth of it every Wednesday.

Mr. BANKHEAD. If the Senator holds it.

Mr. BARKLEY. If I hold it; or, if I transfer it to somebody else, either I or the person to whom it is transferred must put on it that 2-cent stamp.

Mr. BANKHEAD. Yes.

Mr. BARKLEY. And either I, or a group of us who handle these certificates, over a period of 52 weeks, which is a year, will have bought 52 stamps at 2 cents apiece, which is \$1.04.

Frankly, I cannot get through my thick head just the mechanics of this situation. The Government has paid me a dollar's worth of money for a dollar's worth of service, we will assume. If I keep that money a year, I have to put \$1.04 worth of stamps on it; or, if I transfer it to somebody for something that I owe or something that I buy, among the total number of men who handle this certificate there must be \$1.04 stamped on the back of it. Now, where do those of us come out who have kept this money a year when we have received it in payment of a dollar's worth of service that we have rendered to the Government, and we have to put \$1.04 worth of stamps on it in order to make it worth a dollar at the end of the year?

I just do not get that through my head. Probably I am very obtuse.

Mr. BANKHEAD. I very greatly regret that the Senator did not have the benefit of a really clear explanation of that subject.

Mr. BARKLEY. I am assuming that the explanation which the Senator made was clear, and I shall read it in the RECORD tomorrow. I shall have plenty of time to read it, I presume, before I get one of these certificates.

Mr. BANKHEAD. I will say now that the intention is to prevent the Senator from holding this certificate for a year; and if the Senator either has the hoarding spirit strongly enough, or if he is too contrary to pass it off and pay somebody he owes, then he will have to pay the penalty.

Mr. BARKLEY. But, anyhow, if there are 52 of us who handle this money once a week, among us we have to put \$1.04 on it in the course of a year to make it worth a dollar.

Mr. BANKHEAD. Oh, no; you do not put it on except every Wednesday.

Mr. BARKLEY. I know; but at the end of the 52 weeks 52 of us have put on \$1.04 worth of stamps to make a piece of paper worth a dollar that was paid to me a year before as being worth a dollar.

Mr. BANKHEAD. What is any paper worth when you get it? What is a greenback worth when you get it? If we are talking about its inherent value, what is a greenback worth?

Mr. BARKLEY. It is worth a dollar; but I do not have to peddle it around over the country and put a stamp on the back of it every week in order to make it worth a dollar. It is always worth a dollar, and it will be worth a dollar a hundred years from now.

It appears to me that those who handle these certificates are going to lose, and nobody is going to gain but the Government that issues the certificate and pays me what purports to be a dollar's worth of money in return for a dollar's worth of service. All the rest of us will have to put on it something that is worth a dollar in order to make it worth a dollar in a year.

Mr. BANKHEAD. I very greatly regret the philosophy of my friend from Kentucky.

Mr. BARKLEY. I do not pretend to have any philosophy.

Mr. BANKHEAD. I deeply regret that one cannot see the benefits in a program, notwithstanding its value to the various users of money, simply because it has a 2 percent effect upon one in the list of users. I regret that the Senator has not taken into account the fact that this money is to be used primarily for the benefit of the unemployed; that it is intended to stimulate employment, to stimulate trade, to increase income, as it inevitably will in its rapid circulation.

Mr. BARKLEY. If the Senator will yield there, I am just as much concerned for the unemployed, I think, as anybody in the Senate; and in the Banking and Currency Committee I have helped to frame every bill that has been proposed for the benefit of the unemployed.

Mr. BANKHEAD. I am trying to give them a billion dollars here instead of \$500,000,000.

Mr. BARKLEY. I am in good faith trying to find out how this measure is going to work; but I want the unemployed, that I am going to try to help, to get a dollar that is worth a dollar when they get it and will always be worth a dollar, and that they will not have to put a 2-cent stamp on every Wednesday in order to make it worth a dollar.

Mr. BANKHEAD. I am providing the unemployed man here with \$2 when the Senator gives him one. Surely he can take a discount of 2 cents out of the extra dollar.

Mr. BARKLEY. And at the end of a year he has to put \$1.04 of stamps on it, and yet it is only worth a dollar.

Mr. BANKHEAD. Oh, well, it is absurd to talk about a laboring man keeping a dollar a year. Of course, he will not keep it. It will move on as fast as he gets it, doubtless without his ever having to put a single stamp on it.

Mr. BARKLEY. Somebody—either he or 52 other laboring men—is presumed to put \$1.04 worth of stamps on it in the course of a year.

Mr. BANKHEAD. It is not going to be confined to laboring men. It is going to stores, to telephone companies, to taxcollectors. It will go everywhere that every form of money goes, because it is a legal tender; and whenever a man gets one of these certificates he can dispose of it, either in trade or in payment of a debt.

Of course, no new plan of any sort is ever proposed here without there being a degree of conservatism, of objection, of difficulty in understanding how a new plan will work. That has made it almost impossible for Congress to work out any more than mere palliatives. It has made it impossible for us to provide any real, substantial, fundamental relief to business and economic conditions in this country. I know, as many other Senators here know, that so long as the viewpoint, the attitude, the technic, and the formulas of the controlling bankers of this country prevail we have nothing ahead of us except a slow drying-up process of liquidation.

So far as I am concerned, I am willing to enter upon some new road. I am willing to venture somewhere if what is proposed holds out any reasonable hope of relief to the distressed people of this country; and no one has presented here any reason why this money will not circulate with rapidity, both in the purchase of supplies and in the payment of debts of all kinds.

Mr. REYNOLDS. Mr. President, will the Senator yield to me?

Mr. BANKHEAD. I yield.

Mr. REYNOLDS. Interested as I am in the Senator's plan, which I think is commendable, I am naturally interested in what would be the cost to our Government of placing this plan initially in operation.

Mr. BANKHEAD. Mr. President, it would be a nominal cost.

Mr. REYNOLDS. It would be very small, would it not?

Mr. BANKHEAD. Nothing but the cost of printing the paper.

Mr. REYNOLDS. Very small?

Mr. BANKHEAD. Practically nothing, and in the long run there would be a profit in the Treasury of \$40,000,000 as a result of the operation of the plan. So that it would be a money-making plan for the Government, instead of one creating an additional burden upon the taxpayers.

Mr. REYNOLDS. At least the Government could not lose anything by it?

Mr. BANKHEAD. It would be impossible for it to lose.

Mr. REYNOLDS. Every single bit of legislation we are enacting here, we are enacting with the hope and the prayer that it will bring relief to the distressed Nation. That is true, is it not?

Mr. BANKHEAD. That is what we are all trying to do.

Mr. REYNOLDS. I agree with the Senator from Alabama that his plan would be of great assistance to the Nation in this hour.

Mr. LONG. Mr. President, we could not fall much further short than in our other experiments, if we tried the Senator's scheme, could we?

Mr. BANKHEAD. We have made some mistakes, I concede, but my frank judgment is that we have made more mistakes by not trying more things than we have tried. I think that if we ought to be criticized for anything, it is not because of action taken but for inaction, when the times cry aloud for some leadership, for some movement, for some action, to bring relief to the people.

Mr. President, I am not going to take any more of the time of the Senate. I discussed this question on a former occasion. In conclusion I merely want to point out that I am earnestly and ardently in sympathy with the program to provide relief for the destitute and the unemployed. I have voted consistently for that program since I came here, as it is one form of appropriations that has appealed to me, notwithstanding the fact that I am eligible 100 percent for admission to the ranks of those favoring reduction of the costs of government, having voted consistently for every proposed reduction; but I have never had any hesitancy about voting money to prevent our men, women, and children from starving in this country; and if I keep my present frame of mind I shall recognize that obligation as a Federal obligation so long as our present distressing economic condition prevails.

Mr. President, instead of being opposed to the purpose of the pending bill, I hope that I have made it clear that my object is to go a step farther, to include all that is proposed in the bill and then, in addition to that, to provide, not by mandatory, positive order of Congress but after the President has conferred with his advisers, after he has consulted the public opinion of this country upon this subject, after by due inquiry he finds or fails to find a desire in most of the municipalities of this country for a circulating medium of this kind, after he makes all sorts of inquiries and investigations, then the amendment provides that it is left solely in his judgment as to whether or not this money shall be used either in lieu of the tax money or in addition to the tax money.

Mr. President, I hope that the Senate will see fit to grant that option to the President, that opportunity, without cost to the taxpayers of this country, if he decides it suitable and effective, that would put him in position to give twice the aid to the unemployed and the distressed, and without burden to the taxpayers, that is covered by the original bill here.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. BANKHEAD].

The amendment was rejected.

Mr. FESS. Mr. President, I voted against the amendment offered by the Senator from Alabama [Mr. BANKHEAD], first, because it is rather a chimerical procedure. It has been tried in some places; has even been tried in some of the States of our Union.

Since the amendment has been offered and a vote has been taken and it has been rejected, it is not necessary for me to make any comment on it further than to make this statement. My vote against the pending measure, the relief bill, will not be because I have no sympathy with the unemployed but because it does not present the logical method under which to proceed in relieving unemployment. The only possible way by which we will safely remove unemployment is by opening the way for employment, and until we

have a situation where the idle money of the country can be put to work there will be no real relief from unemployment.

The sort of legislation we are now going to pass is a type which increases the lack of confidence. The only thing we lack, as I have stated before on this floor, is confidence that business can safely take the risk of employing the money that is not now at work.

Any proposal to increase the currency, such as the amendment which has just been rejected, or to inflate the currency in any way, will not relieve the situation. As has been stated over and over, the difficulty is not a want of currency but it is a want of employment of currency.

When we passed the Glass-Steagall bill, it was misinterpreted to mean that it was to increase the currency of the country. It was not for such a purpose, and, of course, it did not increase the currency of the country. It was simply to relieve the gold that was being impounded as a basis for the issuance of Federal reserve notes by the increase of the gold deposits, and a decrease of the other securities in the form of commercial paper.

Commercial paper represents business, and if there is no business, commercial paper as security for the issuance of these notes will be wanting, and in the degree that they are wanting, we will have to increase the gold stock. So that instead of its being but 40 percent that will satisfy the law, it may be, as it was at one time, 80 percent gold and only 20 percent commercial paper. In order to relieve the gold, by the Glass-Steagall bill we substituted United States bonds, and in the degree that we substituted them we could release the gold for other purposes. It never was intended to increase the currency, and, of course, it did not increase the currency. But the amendment known as the Borah amendment to the home loan bank bill was intended to increase the currency by adding the authority to purchase the 3½ percent bonds, in addition to the 2 percent, and provide that such purchase should carry the privilege of circulation.

Mr. President, it was stated at the time that the Borah amendment, designed to increase the currency in circulation, would not increase the currency in circulation, because currency does not increase unless business increases. We might authorize an increase as much as we pleased, but unless there were business to take up the increased currency there would be no increase in circulation. So, when the Senator just a moment ago referred to the recent act, under this administration, which authorizes the issuance to the amount of \$2,000,000,000 of Federal Reserve bank notes, if necessary, I call attention to the fact that it was stated on the floor within the last half hour that under that authority the currency did not increase, but fear was expressed that it had been contracted. Of course, it will not increase unless business increases, for there is no measure of the use of currency except business. But those who are criticizing the ineffectiveness of the recent enactment to permit the issuance of Federal Reserve bank notes, which never was done except during the war, and was discontinued in a very short time, ought to realize that while it has not increased the circulation in great degree, it has, in a measure, restored confidence in the banks, and in that degree depositors are not withdrawing their deposits. That act, although it may not increase the currency in circulation, will have, as it has had, a very substantial effect in partially restoring confidence in the banks of the country. That is the reason why it was passed.

The Federal Reserve Board is permitted to issue to member banks Federal Reserve bank notes upon security that is satisfactory to them, and, under the amendment offered a few days ago, to State banks which can qualify. But the Federal Reserve Board is not going to engage in the issue of such notes if the member banks do not borrow, and the member banks will not borrow unless there is business to which they can lend the money which they borrow. The mere fact that there is authority that a bank may get money from this fund gives confidence to the depositors in banks to such a degree that they will not make a run on the

banks, and in that degree the legislation was sound and will have a very salutary effect. But nobody should criticize the legislation on the ground that it has not increased the circulation. Evidently many people thought that if we authorized the issuance of \$2,000,000,000 of Federal Reserve bank notes at once we would have that much more in circulation than we have now. It will not be in circulation except as business calls it into circulation.

Mr. President, there is my fear with regard to this legislation. The one determining factor in a return of confidence in America is the ability of business to be restored and to reemploy the labor that is now out of employment. Labor will not be employed unless there is business to justify its employment. If we continue to increase the obligations of the Government to the point where there is no possibility of our living within our income by the most drastic reductions in the costs of Government, if we cannot live within our income except by increasing taxation, that moment we will destroy all the confidence that otherwise would be restored by legislation.

What I fear, because I know it is coming, as every other Senator must know it is coming, is that instead of making it easier to live within our income without inaugurating new and burdensome taxation, there will be no confidence that will enable a business corporation to launch any expansion of business justifying the reemployment of labor or the creating of new business. Business is going to take risks only when it knows there is some chance for a profit that will not be absorbed by a terrific deficit which the Government has to meet through taxation.

It is true that the pending bill does not make a direct appropriation from the Treasury, but that it is an authorization for borrowing. But our public debt is now nearly \$20,000,000,000. Mark my words, if we continue to go as we are going, our public debt will be beyond what it was at the close of the World War. The interest on the public debt now, the annual charge, amounts to \$900,000,000. We cannot repudiate. If we do, we ruin the national credit and then everything goes down in a smash. The thing that concerns me is how we can avoid creating such deficits so that business can be assured there is some chance for business to keep its head above water and not be destroyed by an increased burden of taxation. Every step we are now taking is tending to increase that burden.

I note a statement by the Speaker of the House of Representatives that we will not need to have additional taxation, but I cannot for the life of me interpret the facts in that way. We are certain to be forced to increase taxation unless we are willing to borrow money to pay the current expenses of the Government, which no one I think would consider to be a wise thing to do. I cannot see how we can avoid an increased burden of taxation. It is coming, and inevitably coming, and here is the widest open door to expenditure that has yet been opened by the Government.

Mr. President, I am not disillusioned. When we take the step proposed in this bill, it will be the first step. We have not taken such a step before. Here is a direct call, in the form of a charge upon the Treasury of the United States, to take care of the unfortunate unemployed. If we set out to do it as a function, we will never close that door. I know the bill limits its operations to 2 years; but the door will be opened, and at the end of 2 years it will be reopened just as it is now being opened. I am altruistic. I have a heart as well as other people have, but in this legislation we are permitting our hearts to overcome our judgment. This is not the way to proceed to bring about a return of confidence, the basis and the sine qua non of reemployment of labor. When we set out with a direct appropriation out of the Treasury, supplied by a loan, we have started something that will vary with the degree every State will seek to fill its obligations, and the calls which will come to Washington whenever there is unemployment will be beyond count.

Mr. President, the very serious situation, to which I think no Senator can close his mind, is that there is positively no limit to the danger of setting out on a policy that the Gov-

ernment is responsible for unemployment in localities. How is it that Washington is to be held responsible for unemployment in Georgia or in Ohio or in New York? How is it that the Government, held responsible, can avoid, if it recognizes it, establishing the principle of a dole to be a permanent institution? We are starting on a scheme in this bill that we will never be able to stop, and we are doing what, in my judgment, is the very opposite to what we really desire in the way of a return of confidence that is necessary before we can start business anew and continue the employment of the now unemployed.

Mr. DICKINSON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Iowa?

Mr. FESS. I yield.

Mr. DICKINSON. It has been my understanding that in order to finance the operations of the Reconstruction Finance Corporation from time to time, they have been authorized to draw against the United States Treasury, which just makes advances to the Reconstruction Finance Corporation. In other words, in order to get money the Government must borrow the money on bonds and place it to the credit of the Reconstruction Finance Corporation. There is no difference then so far as creating a deficiency is concerned whether we operate this way or by direct appropriation, is there?

Mr. FESS. Not a bit. The thing that concerns me most deeply is the frank and honest statement of the Senator from New York [Mr. WAGNER] on yesterday to the effect that this is only the beginning, that we all know it is only the beginning, and that other similar legislation will follow. The difficulty is that it will follow not only at this session but in the next session and every session, and will continue indefinitely. I warn my colleagues that they are starting on a policy which they will never be able to abandon, and the time will come when most people will rue the inauguration of the policy that the Federal Government is responsible for unemployment and therefore should supply the wherewithal to take the place of unemployment.

Mr. WAGNER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from New York?

Mr. FESS. Certainly.

Mr. WAGNER. I know the Senator does not intend to misrepresent what I said yesterday.

Mr. FESS. Certainly I do not.

Mr. WAGNER. I did say this is not the only thing we should do in order to relieve unemployment. This is an emergency measure to prevent starvation and to provide shelter, but we cannot regard this as a remedy. We must do other things in the nature of a remedy so that we can start on our way back to a better day by providing employment.

Mr. FESS. I am glad to have the Senator's comment. I thought he meant that this is only the beginning of this sort of legislation, to be followed by more legislation of the same character.

Mr. WAGNER. I am hopeful that it will be the end so far as requiring provision for these people. However, whatever the Senator's view may be, I am sure that the majority view of Congress is that the American people, through Congress or any State legislative body, will never see their fellow citizens starve or go unsheltered, but that provision must be made for them.

Mr. FESS. Mr. President, I do not want the Senator from New York or anyone else to think that I would be willing to see people starve.

Mr. WAGNER. I did not mean to intimate any such thing, but I see no other way of preventing it except by legislation of this character.

Mr. FESS. I think there has never been a time in the history of the world when private contributions to relieve suffering have been so obvious as during the past 2 years. It has been really a romance in the expenditure of money. What I meant to say is we not only start out here with a loan, but the loans we have already made to States and

municipalities are going to be asked to be canceled. I have letter after letter from Ohio from municipalities that have issued bonds to care for their unemployed asking this question, which it seems to me is the result of propaganda that has been started somewhere: "Will not the Government supply the money in order to cancel these obligations that were issued to take care of our unemployed?" I never have had any intimation that that was in the air until these letters began to come to me.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. FESS. I yield.

Mr. ROBINSON of Arkansas. I thank the Senator for yielding. First, with respect to his statement that the passage of the pending bill implies the remission of the debts assumed by the States in connection with advances heretofore made for destitution relief, I do not think that is true at all. It is not a sound argument against the pending legislation. The presentation of the argument here by the Senator, under present conditions, will do more to prompt requests for remission of the obligations already assumed by the States in this connection than anything that is involved in the passage of this bill.

Secondly, with respect to the statement by the Senator from Ohio that the pending measure involves a departure from precedent and may involve new policies which in the end are calculated to embarrass the Treasury of the United States. I recognize the forcefulness of that argument. If it had not been made apparent in the hearings before the committee and in the evidence submitted—the overwhelming evidence, if I may say so—that has been presented that a condition has arisen under which the Federal Government itself must make these grants or permit thousands, perhaps hundreds of thousands of citizens of the country to endure indescribable suffering, I would myself insist upon a continuance of the policy advocated by the Senator. But having been assured, from the evidence to which I have referred, that there is such a situation in many of the municipalities that unless the Federal Government does meet it, it will not be met at all, and that thousands of persons will endure great suffering, privation, and distress I give my consent and approval to the passage of the bill.

Assuming the facts which I have stated to be correct, let me ask the Senator from Ohio what he proposes to do? In the absence of ability on the part of communities and individuals to meet conditions demanding contributions for the sustenance of citizens who are in distress, does he insist that no provision shall be made, but that we shall simply leave the situation undealt with and not attempt to render any assistance? I know the tender sympathies of the Senator from Ohio, and I know, too, that it is impossible for each individual Senator, charged as he is with responsibilities of the gravest kind, weighted with burdens difficult to be borne, to keep himself acquainted with changing conditions throughout the Nation. If it be true that the cities such as Chicago and States such as Illinois have exhausted their local resources and their credit and are unable to provide funds that are imperatively required in order to meet the immediate necessities of citizens, what is to be done about it?

Mr. FESS. Mr. President—

Mr. ROBINSON of Arkansas. I thank the Senator from Ohio for yielding.

Mr. FESS. Mr. President, the Senator from Arkansas knows as well as I do that the motive that actuates me is the same as his own. I was surprised, however, when the Senator from Arkansas gave his assent to this kind of legislation, because I know how he thinks on these subjects, and, of course, there must have been an overwhelming array of some sort of evidence or he would not lend himself to support this character of legislation.

Mr. ROBINSON of Indiana. Mr. President, will the Senator from Ohio yield for a question?

The PRESIDING OFFICER (Mr. BAILEY in the chair). Does the Senator from Ohio yield to the Senator from Indiana?

Mr. FESS. I yield.

Mr. ROBINSON of Indiana. Assuming conditions to be just as bad as the Senator suggests, that we would have to raise more money by taxes; if people are starving to death in the country, what would the Senator from Ohio do, let them continue to starve?

Mr. FESS. I was about to answer that question which had been propounded by the Senator from Arkansas, and the Senator from Indiana may take the answer as a reply to his question also. I stated that I was surprised that the Senator from Arkansas had given his assent to this sort of legislation. I am surprised that a great number of Senators in this body have done so. I am not surprised at the attitude of another type of Senator, who thinks in a different way. I am perfectly willing to accept the explanation of the Senator from Arkansas as to why this legislation, from his standpoint, ought to be enacted. He seems to think, as the Senator from Indiana evidently thinks, that people are going to starve if recourse to the Federal Government is not had. I wonder if those Senators forget that there is not a dollar in the Treasury that does not come from the people of the States? Are Illinois and Chicago in such condition that that great State and that rich city cannot take care of their unemployed? If that be true, to whom are they going to apply? Will they apply to New York? Is New York unable to take care of her unemployed? If she is, how can she help Chicago? If Ohio is unable to take care of her unemployed, how can Ohio help Chicago? I repeat, there is not a dollar in the Treasury that does not come from the people of the various States. If it were not that Uncle Sam is looked upon as a Santa Claus to give alms, there would never be presented such a proposal as this; but every State would take care of its own citizens.

Mr. ROBINSON of Arkansas. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. FESS. I yield.

Mr. ROBINSON of Arkansas. The declaration of the Senator from Ohio that there is not a dollar in the Treasury of the United States that does not come from the people applies with equal force to the treasuries of the States and municipalities.

Mr. FESS. Certainly.

Mr. ROBINSON of Arkansas. So that, with all due respect to the Senator, I think that his statement does not rise to the level of an argument. I recognize that primarily the obligation devolves upon the localities, the local governments, to meet the requirements of their citizens when the citizens are in distress, but this proposed legislation is based on the assumption that the power of those localities to meet their obligations has been exhausted. I stated that with all the emphasis at my command a few moments ago; and now the Senator from Ohio replies with the suggestion that public moneys are acquired by taxation, just as if the same rule did not apply to public moneys which are collected by the local governments as well as to public moneys collected by the General Government.

It is also admitted that so long as the localities can raise the funds necessary to meet the necessities of their citizens and prevent great suffering and distress, they should be required to do so, but the evidence that has been presented to committees of the Senate discloses that the time has passed when some of the localities and some of the States can meet the emergency. If those facts be true, I again ask the Senator from Ohio why he resorts to general arguments which are assumed not to be applicable when we make the admission that some of the States are unable to provide for their citizens who are in distress?

Mr. FESS. The argument—

Mr. ROBINSON of Arkansas. Just a moment. Of course, if there is no emergency, if the facts which have been assumed here do not exist, if the conditions described do

not exist, then the contention of the Senator from Ohio is correct; but I am told that among the millions—multiplied millions—of American men and women who are walking the streets of the great industrial cities seeking an opportunity to earn their living by toil there are hundreds of thousands of them who can make no provision for themselves and their dependents for tomorrow. If that be a fact, then technicalities, technical arguments, have little weight or force with me in reaching a conclusion as to whether I shall support this bill.

Mr. FESS. Mr. President, I do not think it is up to the standard of the Senator from Arkansas to talk about technical arguments. This is the most fundamental proposition that has come before this Congress. We are starting on a new policy, the end of which no man now living will ever see. Everyone knows that. For that reason to say that what I am saying should have no effect because it is technical does not rise to the level usually occupied by the great leader of the other side of this body.

Mr. ROBINSON of Arkansas. I suppose we are on the same level now by mutual consent.

Mr. FESS. I hope the Senator will take it in that way. I am satisfied to vote against this measure, and in the future I shall call the attention of those who are now insisting that this is an emergency, without realizing that the emergency of unemployment is always with us, to the fact that if a State can get rid of the problem and any municipality can get rid of it by coming to Washington, there will be no more of local self-help but the various communities will always be ready to come to Washington, for here is the place to get help. That is what has happened in the case of sudden floods, hurricanes, and fires ever since we started on the program by assisting a stricken city in Massachusetts, and it has all happened since I have been a Member of the Congress, which has not been so very many years. Now it has become a fixed policy. Even last week people who do not live in the Ohio Valley wrote to me to know why the Federal Government did not come to the relief of the people in that valley. I stated when the people in the Ohio Valley made application to Congress, then it would be time for us to consider a problem which is Federal, namely, flood control. Probably that is rightly a Federal problem rather than a State problem, but here is a local problem; and I state again that if the Federal Government was not regarded as a source of relief, there would be nothing heard of such a proposal as the one now pending, but every State would take care of its own people. Cannot New York take care of conditions within her borders? Cannot Chicago take care of conditions within her limits? I can hardly find parliamentary language to describe the statement that the States and cities cannot take care of conditions in which they find themselves but must come to the Federal Government for aid.

Mr. ROBINSON of Indiana. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Indiana?

Mr. FESS. I yield.

Mr. ROBINSON of Indiana. I should like to invite the attention of the Senator from Ohio to the fact that the township trustees all over the country have been supplying baskets of food for the hungry and feeding them, as rapidly as they could, until they have gotten to the point where they have not sufficient food longer to go around. The counties cannot collect their taxes, a fact that is utterly patent—everybody knows it. Therefore, no further relief can come from the counties. Municipalities cannot sell their bonds. The States have reached the end of their resources; but, thank God, the credit of the United States is still good, and the first duty of any government is to keep its people from starvation. If people die, there can be no government. People are not made for the government, but, trying to be reverent and not irreverent in the slightest degree, to paraphrase the statement of the great Carpenter of Nazareth, the government is made for the people and not the people for the government. So, if all other governmental units have reached the end of their resources and people still starve, the Federal Government, with unlimited

credit, should go to the relief of its suffering citizens and prevent starvation. I think there can be no question in the world about that.

This is not a matter of unemployment, though it is true the condition grows out of unemployment, but this is a question of relieving the suffering, and I hold that is the first duty of government. The Senator from Ohio fears it may increase taxes. Well, God save the mark, suppose it does. Let us increase taxes and get money into the Treasury with which to feed the people who are starving to death. [Manifestations of applause in the galleries.]

The PRESIDING OFFICER. The occupants of the galleries will preserve order.

Mr. FESS. Mr. President, the Senator from Indiana allows his heart to overcome his judgment. In his view there is only one way to proceed, and that is to collect public moneys from the people of the various States, impound them in the Treasury, and then, when anyone is suffering for want of employment, no matter where he may live, and the statement comes that he cannot find employment and the locality will not assist him, the Federal Government must be the almoner. I am perfectly willing for the Senator from Indiana to take that view. It is not my view and it is not a sound view. I will content myself by voting against this measure, which I know does not have the approval of a considerable number of Senators in this body who are voting for it simply because of the use of the term "emergency", thinking that probably when the action is taken it will not need to be repeated. I warn every man who sits here, however, that he is starting now on a policy that will never end.

HOPE FOR A NEW DEAL

Mr. LONG. Mr. President, there is no harmonizing this bill with the economy bill nor with the administration of the banking bill. I am voting for this bill because it is out of harmony with what we have been doing rather than because it is in harmony with what we have been doing.

The economy bill took about \$500,000,000 away from people who need it. This bill proposes to give about \$500,000,000 to people who need it. We ought not to have passed the economy bill; but, now that we have passed it, it is all the more reason why we should pass this bill.

The Senator from Ohio [Mr. Fess], I hope, is a follower of Abraham Lincoln. At least, he is a follower of Theodore Roosevelt. I think I have heard him say so. If he is, he believes in the funds being drained from the top and dispensed to the people at the bottom. We are going to get this money in due time. I do not think we are going to have to tax the ordinary citizen to get it. We are going to rake the top off some day.

Mr. FESS. Mr. President, will the Senator yield?

Mr. LONG. Yes; I will yield.

Mr. FESS. I think I agree with the Senator in reference to getting the money where it can be gotten. I am in favor of a graduated principle of taxation, making the man pay in accordance with his ability to pay; but I always keep this signal of warning out: Do not go to the extent at the top where you dry up all sources of revenue.

I think the Senator and I disagree on that point. In our effort to get the tax from the top I am willing to do it on a graduated principle. The Senator knows what I mean. I do not want that to go to the extent or to the degree where we get no revenue because we kill the goose that lays the golden egg.

Mr. LONG. I am very happy to hear the Senator make the statement that he believes in going to the top. There is more joy in heaven over one lost soul that returns than over the million that are already there. [Laughter in the galleries.]

I think, Mr. President, that many more of us are having to come to this view. We are going to have to take care of the people at the bottom. The reason why the people at the bottom are suffering is because the entire wealth is at the top. There would be no need of appropriating \$500,000,000 to feed the people at the bottom if their life's blood had not been drained off and allowed to accumulate

at the top. Eighty-five percent of our wealth is in the hands of 5 percent of our people, those who have the large fortunes of the country; and the only way that the money can be gotten out of that 85 percent of accumulated wealth is by the United States Government taxing from the top and distributing it to the bottom.

We are going to have to follow that course sooner or later. I hope the Senator from Ohio is correct that this is a departure on a new order and on a new line. I hope it marks the beginning of the Democratic Party keeping its promise to the people to decentralize wealth and to distribute the wealth of this country among the people. If this is a guidepost in that direction, it is a wholesome thing that ought to create joy and gladness and overcome the great suffering that is already in sight as a result of the administration of the banking bill and the so-called "Economy Act".

Mr. GEORGE. Mr. President, I have voted for all of the relief bills so far considered by the Congress. I have stated on other occasions and desire to state again that I have opposed the extension of the powers originally given in the Reconstruction Finance Corporation Act. I think if we stand by the Reconstruction Finance Corporation Act—which on the whole has been well administered—and continue to extend its powers, we may find it necessary to grant larger and larger relief to the people of the United States.

I assume that there is an emergency, and that many cities and even some States in all probability are unable to take care of the actual distress within those cities and States. Assuming that that emergency actually exists, I have no difficulty in supporting any program looking to the relief of the people.

I quite agree with what the Senator from Ohio [Mr. Fess] says, if I interpret his statement correctly, to this extent: It is true that we are very largely responsible for the inability of the States to meet this very condition. Unquestionably the Federal Government and the philosophy which has dominated it for many years are responsible for the inability of the State governments to meet this responsibility.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GEORGE. Just a minute. The truth is that we have gone on the senseless theory that our resources were inexhaustible; that we have duplicated government and every conceivable function of government here in Washington; and consequently we have dried up, not the power of the States to raise revenue but the sources of revenue in the States, so that the American city and the American State, having to support through Federal taxation of one kind and another duplicating functions here in Washington, find themselves unable, in a great crisis like this, actually to care for their own people.

To that extent I am in thorough accord with what the Senator from Ohio [Mr. Fess] has said. Undoubtedly one of the primary causes of our suffering is the heavy burden of taxation which is literally exhausting the American city, the American State, and the Nation as well. The same senseless philosophy that we can stand anything, and that we have an inexhaustible credit, whether you think of the State or of the Nation, will one day make it impossible for the Federal Government to meet the responsibility that it is now called upon to meet, and, in my opinion, justly.

What is the condition in the United States today? The State cannot collect the taxes due it; the cities cannot collect the taxes due them, because the property has become worthless; and one of the reasons why it is worthless is that it will not earn enough to pay the taxes. That is undoubtedly so; but the Federal Government at Washington is more responsible for this condition than the governments of the States.

We have duplicated every conceivable service. The only real service that the Department of Agriculture is rendering the people of this country is being rendered through the State departments of agriculture. I am not speaking of those services that we have placed under the Department of Agriculture which might as well have been placed

under some other department; but of what value to the people of the United States are all the research and all the pamphlets and publications and all the findings and all the services of the Department of Agriculture, unless they reach the people through their own State institutions and their own State agencies?

Have we not departments of government that are little more than mere political machines? Is not that one of the primary reasons upon which one can justify some of our executive branches of government—that they furnish jobs, that they are political machines? And we constantly extend the power of particular departments just as we constantly spread out, taking in all of the functions of government, absorbing all of the legitimate activities of the State, consequently exhausting all of the sources of revenue within the State, so that the State in this emergency is not able to meet its responsibility and is not able to care for the want and suffering within that State.

I like to be consistent; and, of course, there is not a great deal of consistency, if we are simply considering a system of philosophy, in taking some \$420,000,000 from the veterans one day and appropriating the next day \$500,000,000 to feed the hungry and the poor and to care for those who are in want. But one may be a sound philosophy and the other, the present duty and obligation, may be an obligation and a duty that as a Federal Government we ought to be willing to meet today.

I am happy to think that the present Chief Executive understands that we have been duplicating the services of government here in Washington; that we have been needlessly extending the activities of the Federal Government; that we have been needlessly consuming the substance of the people of the States; that he proposes to reorganize the Government in the interest of real economy; and that he proposes so to restrict the Federal activities under normal conditions as to make it possible for the States hereafter, in all ordinary emergencies at least, to meet and discharge their responsibility to their own suffering citizens.

I know that it may not be a case of absolute necessity in all instances, but I must assume that the case of actual necessity does exist in some American cities, perhaps in large sections of some of the States, for help and succor which those cities and those States are not in a position immediately to render. Therefore I have no hesitancy in voting for this measure. I think that the time is ripe, and overripe, for the Congress to exercise some common sense and put a stop to lending the money of the taxpayer to various sorts of enterprises, even if we are providing a little work here and there throughout the country for a small part of our unemployed.

I think I was 1 of the 3 or 4 Senators on this side who voted for a \$5,000,000 work program—and no other sort is worth the cost to the American people except an adequate program.

Anything less than adequate is a mere waste of the taxpayers' money. It does not reach the situation. It has been about a year, I think, since a few of us over here voted for a real, worth-while work program; but if we continue to lend money to the railways, if we continue to lend money to the banking institutions, if we continue to lend money to various sorts of enterprises, even though some of those enterprises do put to work a relatively few people, we will bankrupt the Government. The Government here will be precisely in the same condition as the governments of certain American cities and certain American States. There is no escape. There is no source of income that is available to the Federal Government which is not, with some minor exceptions, available also to the States, and if we continue our program of actually drying up the sources of revenue to the States and getting nowhere in meeting the actual problem that is presented in this period of widespread unemployment, certainly we are going to find ourselves practically in the same condition in which the cities and the States find themselves at the present time.

Mr. President, I wished to make this statement because when we had heretofore before us a proposal for a \$300,-

000,000 appropriation for relief, coupled with a lot of other things, I voted for the entire bill, because I believed that we should recognize our obligation to take care of the people in the States, and when we had another relief program before us, proposing relief similar to the relief proposed here, or identical with it, although the method of distribution is different, I voted for that, although it had coupled with it provisions for the further exhaustion of the credit of the taxpayers for the United States, not for relief purposes but for the purpose of sustaining institutions and enterprises in the United States. I believe those provisions to be unsound, have always believed them to be unsound, and I believe experience is demonstrating their unsoundness. But I shall vote for the pending bill, because it comes to us stripped of any of those objectionable features which have hitherto accompanied relief proposals considered by the Congress.

Mr. President, the former relief bill did not provide a direct gift, it is true, in form, but the relief was in the form of advances to the States, to be repaid by the States out of future Federal appropriations to the States. I was laboring under no misapprehension in voting for that form of relief. We were merely preserving the letter, but the spirit was not very different from the express purpose of the pending bill. It is true that this particular relief fund might be administered directly through the States, or it might well be administered through the machinery set up in the bill. I do not think that is highly important. In principle, the relief already granted to the States, in the form of advances to the States, to be repaid as I have just indicated, is, to my way of thinking, no different from the relief which we are now called upon to grant.

Mr. President, I know that before men can be put to work the dollar must go to work. I appreciate that fact. The distinguished Senator from Ohio has said that the dollar is not going to work until there is some profitable business in which it can be invested. I do not go that far. I want to say to my friend from Ohio that is the philosophy of the American banker of this present hour. He wants a profitable place in which to invest his money, whatever the Government of the United States may have done for him, when we here did not believe that we were making a very profitable investment, if the sole purpose of the investment was merely to place the banker in a condition of liquidity or solvency.

I think that there will be no real return to a normal, prosperous condition in the United States until we somehow find a banker who has the sense to see that the character of the merchant, the character of the small manufacturer, the character of the professional man, is yet good security if banking is carried on in a sensible, normal way.

When one goes to the bank for money now the banker is likely to say, "We are anxious to make loans, but we cannot make a loan unless the enterprise in which we are asked to put our money is profitable." How will that enterprise become profitable unless the banker helps to make it profitable? Does he not owe some obligation to the business of this country? Is there not some responsibility on the American banker?

Mr. FESS. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. FESS. The Senator stated that he would not go as far as the statement that business must be profitable in order to employ labor. That may be the wrong thing for business to do, but, unfortunately, that is precisely what business does, and unless there is some promise of profit I do not think, whether it is right or wrong, there is going to be very much employment of labor.

Mr. GEORGE. The Senator is quite right; that is precisely what business is doing, and that is precisely what our bankers are doing. I am not, of course, including within the term "banker" all of the bankers of this country, but I do contemplate those bankers who control our system very largely. There is but one form of credit, and the Federal Reserve System is largely responsible for that

psychology in this country today. If a man has securities of the Government, he is entitled to credit; but whatever his character, his industry, his initiative, his enterprise, his courage, there can be no investment by the banking group, because, as the Senator correctly says, they must first find a profitable business before they are willing to meet the ordinary and legitimate and reasonable and conservative demands of business.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. BARKLEY. Not by way of defending the bankers, but simply as a matter of fact, is it not true that every banker who is approached by anybody in the community for a loan must not simply consider what he would do with his own money but primarily must consider what he is going to do with other people's money?

Mr. GEORGE. Yes.

Mr. BARKLEY. Because, after all, it is other people's money he is lending; and in order to induce him to invest other people's money in a loan, must he not exercise sufficient caution to reach a reasonable determination that the loan will be repaid, and that the enterprise in which the money is to be put to work will be sufficiently profitable to guarantee repayment, so that he may meet his obligations to the depositors? And does not that bring us to the point where we must in some way, whether by legislation or by Executive policy, or by some combination of both, together with the cooperation of the public, bring about a revival of confidence among the people, so that they will feel that their business enterprises will be sufficiently profitable to enable them to repay what they borrow from the banks?

Mr. GEORGE. Of course, what the Senator says is quite right; but that is the philosophy also of Mr. Mitchell, one of the New York banking group, that he is handling not alone the money of himself but that he is handling the money of his depositors.

I have no objection to caution, and I have no objection to care in banking; on the contrary, I think we have had too much loose banking, and in that respect I agree with the Senator. But to lay it down as a hypothesis that the enterprise must first be profitable before the banks can afford to make a loan to it, that is, profitable beyond all question of doubt, that is to say, can offer the only form of security upon which credit can be placed, and we have come to that, practically, that is, the security of the Government itself, is simply to stop the wheels of progress, and is to make it impossible to have a profitable business again in the United States.

Mr. BARKLEY. I agree with the Senator, but I know he does not mean to condemn the banking fraternity of this country by hurling at them the name "Mitchell". Mitchell's transactions were not in the field or realm of legitimate banking. He used other people's money in a way not permitted by sound banking, and in order that he himself might profit out of it, and he has to come to a very deserved fall in the estimation of the American people. But the Senator, I am sure, does not need to imply that the caution of bankers in this emergency, in looking over the prospects of any borrower, is to be in any way compared with the illegal transactions of Charles E. Mitchell.

Mr. GEORGE. Oh, no; I do not.

Mr. BARKLEY. The Senator did not want to leave that impression, I am sure.

Mr. GEORGE. No; I did not, and I said in prefacing what I had to say about the banks, that I did not include all the bankers in the United States, not by any means; but I do refer to those bankers who control our system of banking.

I want to make another statement now. Since we are on the subject, we might as well discuss it. This Government has done very nearly everything that can be done for our banks. Certainly it has done everything that can be done with safety for our banks. We have granted almost any power that seemed to be reasonable and defensible in order to help the banks in this emergency. We have said that the

banks are again open. Are they open for the single purpose of drawing through the pipe lines we have constructed the balance of the money of the American taxpayer, or are they also open to meet the legitimate and conservative demands of honest and courageous Americans?

This question of banking does not involve the mere lending of money upon the one form of security, to wit, Federal bonds or securities, to which despicable doctrine we have come, largely under the domination of the Federal Reserve banks as they have been controlled; and unless we can break away from it we may do something very much more radical than we have yet attempted in this Congress.

Mr. President, we have had in the United States banking by junior vice presidents, literally so. They have speculated; they have indulged in the manipulation of securities; they have departed from legitimate banking. All that is true, but there is something different now. We have the banking system with every privilege extended to it which a conservative government can legitimately give to that system. But we have that system today restricting credit to but one form of security, with minor exceptions, and that cannot go on. Not only will we grant relief in those States which have been exhausted of their resources through the improper duplication of functions of government and encroachment by the Federal Government upon the legitimate field of State activity, but the people of the United States will be served by some form of banking.

I do not go away from Washington often to make speeches, but I did go up into the State of New York some 4 or 5 years ago to speak to a group of New York bankers. I said to them what I am now saying, that if they did not understand the imperative necessity of furnishing credit not alone in the first commercial and industrial centers, but back in the communities where the raw wealth of the Nation is created, the people of the United States would make Government do it. The next morning some of the papers in New York intimated that I was exceedingly radical. The things they said were not altogether complimentary.

I want to repeat that statement: If the banking system which we have built up does not understand and appreciate the necessity of furnishing credit where credit may be legitimately extended and upon security which is safe, not alone upon a Government bond or some form of Government security, not only in the great industrial centers—whatever may be said about a unified system of banking—our banks must be prepared to accept the decision of the American people to have some form of credit and some form of service. The Government will go further and further into business. We may regret it, we may all deplore it, but nevertheless we will not escape it.

Mr. FESS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Ohio?

Mr. GEORGE. I yield.

Mr. FESS. I think there is an enormous amount of force in the last statement the Senator made. Every movement that has been made in either House in reference to assisting the banks has been in the interest of the depositor. After the Government assists the banks, if the management takes the view that the depositor is to have no relief, we will be forced ultimately, unless we abandon the whole banking idea, to the point where the Government must either make some guaranty of deposits or else go into the banking itself for the protection of the depositors.

Mr. GEORGE. The Senator is thinking of protecting the depositors and I quite agree with him in his general statement. I think there is no question that we may be driven into some very unsound practices. But the point I am trying to make and what I am trying to say is that if a condition of actual want and suffering exists in any State which cannot be met, that the State is not alone responsible for that condition and we cannot discharge our obligation by asserting that relief is a State function. I have tried to point out some of the reasons which I think have a legitimate bearing upon that general statement.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Kentucky?

Mr. GEORGE. Certainly.

Mr. BARKLEY. Of course on the surface it looks as though we are in an anomalous situation where we are compelled to admit that practically all of the 48 States are incapable of meeting the demands upon them for relief while at the same time the Federal Government is called upon to raise from those 48 States the necessary funds to do that same thing. The Federal Government has no place to raise money except from the people in the States. Of course we realize that necessity, and we realize also that under the form of government in some of the States, by reason of constitutional provisions and restrictions and inhibitions that have been thrown around the expenditure of money and the power of legislatures over a period of many years, many of them are legally and constitutionally unable to do what financially probably they could do if they were able to act. This emergency has no doubt brought to the attention of the country the necessity for probably liberalizing the laws of some of the States in order that they may hereafter take advantage of their power to do locally what we are enabling them to do by our own provisions for raising money. Has the Senator given any thought to that matter?

Mr. GEORGE. No; I have not, except in a very general way.

Mr. BARKLEY. Of course it does not meet or solve our present situation to talk about it.

Mr. GEORGE. Of course I know some States are hampered by constitutional provisions and restrictions without which they probably would be enabled more easily to meet their obligations to their citizens. But I think those restrictions in the long run have been helpful. I do not include all of them, of course, but on the whole they have been helpful to the people of the States.

Mr. BARKLEY. I agree with the Senator.

Mr. GEORGE. I think the primary responsibility is in the senseless assumption that we can extend and constantly extend Federal functions, drying up the resources of the States to the point where property ceases to be of value in an emergency like this, because it will not earn taxes, and I think that is certainly a reason why we should be glad to meet our obligations and take care of an actual condition of need when it is found to exist in a State, whatever may have been the cause of the need.

Mr. BARKLEY. Of course, we all realize also that in spite of those constitutional and statutory inhibitions many of the local governments have gone so very far in the extension of their indebtedness and in the increase of their expenses as to contribute very materially to their inability now to take care of the existing situation.

Mr. GEORGE. Undoubtedly. The bad example of the Federal Government has been followed in all of the States and a great many municipalities. There is no question about that.

Mr. President, I expected to say only what I said in the beginning, that I would gladly vote for the relief proposal, particularly because it is stripped of other proposals which I believe to be essentially unsound. I have no difficulty at least in finding reasons which I believe to be consistent with sound policies of government upon which to base my vote in support of the bill as a relief measure in this emergency.

The PRESIDING OFFICER. The bill is still open to amendment. If there be no further amendment, the question is, Shall the bill be engrossed and read a third time?

Mr. McNARY. Mr. President, I desire to suggest the absence of a quorum before the final vote is taken.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Barkley	Bulkeley	Carey
Austin	Black	Bulow	Connally
Bachman	Bone	Byrnes	Coolidge
Bailey	Borah	Capper	Copeland
Bankhead	Brown	Caraway	Costigan

Couzens	Hayden	Murphy	Shipstead
Dickinson	Hebert	Neely	Smith
Dieterich	Johnson	Norris	Steiner
Dill	Kean	Nye	Stephens
Duffy	Keyes	Overton	Thomas, Utah
Fess	La Follette	Patterson	Trammell
Frazier	Lonerger	Pope	Tydings
George	Long	Reynolds	Vandenberg
Goldsborough	McCarran	Robinson, Ark.	Van Nuys
Gore	McGill	Robinson, Ind.	Wagner
Hale	McKellar	Russell	Walcott
Harrison	McNary	Schall	Walsh
Hatfield	Metcalf	Sheppard	White

Mr. BLACK. I wish to repeat my announcement that the Senator from New Mexico [Mr. BRATTON] is necessarily absent.

I also announce that the senior Senator from Virginia [Mr. GLASS] is unavoidably detained.

The VICE PRESIDENT. Seventy-two Senators having answered to their names, a quorum is present. The question is, Shall the bill be engrossed and read a third time?

The bill was ordered to be engrossed and to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

Mr. McNARY. Let us have the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. LA FOLLETTE (when Mr. CUTTING's name was called). I desire to announce the unavoidable absence of the junior Senator from New Mexico [Mr. CUTTING]. If present, he would vote "yea."

Mr. BARKLEY (when Mr. LOGAN's name was called). My colleague the junior Senator from Kentucky [Mr. LOGAN] is unavoidably detained on account of official business. He is paired with the junior Senator from Pennsylvania [Mr. DAVIS], who is absent on account of illness. If my colleague were present and permitted to vote, he would vote "yea."

Mr. DIETERICH (when Mr. LEWIS' name was called). My colleague the senior Senator from Illinois [Mr. LEWIS] is detained on account of illness. If present and voting, he would vote "yea."

Mr. McKELLAR (when his name was called). On this vote I have a general pair with the junior Senator from Delaware [Mr. TOWNSEND]. I transfer that pair to the junior Senator from Missouri [Mr. CLARK] and vote "yea."

Mr. ROBINSON of Arkansas (when his name was called). I have a pair with the Senator from Pennsylvania [Mr. REED], which I transfer to the Senator from Illinois [Mr. LEWIS], who is unavoidably absent, and will vote. I vote "yea."

The roll call was concluded.

Mr. BANKHEAD. I have a general pair with the senior Senator from Vermont [Mr. DALE]. I transfer that pair to the senior Senator from Virginia [Mr. GLASS] and vote "yea."

Mr. HEBERT. I desire to announce that the junior Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness.

I wish also to announce that the Senator from Delaware [Mr. TOWNSEND] has been called from the Senate on official business. If present, on this question he would vote "nay."

I desire further to announce the absence of the senior Senator from Delaware [Mr. HASTINGS]. I am informed that he has a pair with the senior Senator from Florida [Mr. FLETCHER], and that if he were present the senior Senator from Delaware would vote "nay" on the passage of the bill, and the Senator from Florida [Mr. FLETCHER] would vote "yea."

I wish also to announce that the Senator from Vermont [Mr. DALE] and the Senator from Pennsylvania [Mr. REED] are necessarily absent.

I also desire to announce that the Senator from New Jersey [Mr. BARBOUR] is paired with the Senator from California [Mr. McADOO]. If present, the Senator from New Jersey would vote "nay", and I am advised that the Senator from California would vote "yea."

Mr. STEIWER (after having voted in the affirmative). Upon this vote I have a pair with the senior Senator from New Mexico [Mr. BRATTON]. I understand, however, that had he been present he would have voted as I have voted, and I will therefore permit my vote to stand.

Mr. BLACK. I desire to announce that the Senator from Nevada [Mr. PITTMAN], the Senator from Utah [Mr. KING], the Senator from Missouri [Mr. CLARK], the senior Senator from Montana [Mr. WHEELER], the junior Senator from Montana [Mr. ERICKSON], the Senator from Wyoming [Mr. KENDRICK], the Senator from Virginia [Mr. BYRD], the Senator from Arizona [Mr. ASHURST], the Senator from Oklahoma [Mr. THOMAS], the Senator from Florida [Mr. FLETCHER], the Senator from Illinois [Mr. LEWIS], the Senator from Kentucky [Mr. LOGAN], and the Senator from California [Mr. McADOO] are detained from the Senate on official business.

The result was announced—yeas 55, nays 17, as follows:

YEAS—55

Adams	Coolidge	Long	Schall
Bachman	Copeland	McCarran	Sheppard
Bankhead	Costigan	McGill	Shipstead
Barkley	Couzens	McKellar	Smith
Black	Dieterich	Murphy	Steiner
Bone	Dill	Neely	Stephens
Borah	Duffy	Norris	Thomas, Utah
Brown	Frazier	Nye	Trammell
Bulkley	George	Overton	Tydings
Bulow	Harrison	Pope	Vandenberg
Byrnes	Hayden	Reynolds	Van Nuys
Capper	Johnson	Robinson, Ark.	Wagner
Caraway	La Follette	Robinson, Ind.	Walsh
Connally	Lonerger	Russell	

NAYS—17

Austin	Goldsborough	Kean	Walcott
Bailey	Gore	Keyes	White
Carey	Hale	McNary	
Dickinson	Hatfield	Metcalf	
Fess	Hebert	Patterson	

NOT VOTING—23

Ashurst	Dale	Kendrick	Pittman
Barbour	Davis	King	Reed
Bratton	Erickson	Lewis	Thomas, Okla.
Byrd	Fletcher	Logan	Townsend
Clark	Glass	McAdoo	Wheeler
Cutting	Hastings	Norbeck	

So the bill was passed.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to.

REPORTS OF COMMITTEES

The VICE PRESIDENT. Reports of committees are in order.

Mr. GORE. From the Committee on Interoceanic Canals, I report favorably the nomination of Lt. Col. Julian L. Schley, Corps of Engineers, United States Army, to be Governor of the Panama Canal.

The VICE PRESIDENT. Are there further reports of committees?

HOME LOAN BANK BOARD—C. B. MERRIAM

Mr. BULKLEY. From the Committee on Banking and Currency, I report favorably the nomination of C. B. Merriam, of Kansas, to be a member of the Home Loan Bank Board, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection?

Mr. McGILL. Mr. President, I do not object to the consideration of the nomination, but I merely want to make a brief statement.

The VICE PRESIDENT. The Chair recognizes the Senator from Kansas for that purpose.

Mr. McGILL. It appears, Mr. President, that some of the members of the Democratic Party in my State have a misunderstanding with reference to this nomination by the President; in other words, it appears that some of them are of the opinion that this is an appointment peculiarly belonging to the State of Kansas and that a Democrat rather than a Republican should have been appointed. This nomination is one that might have gone to any State in the

Union, as I understand, and, under the law, it was necessary that a Republican should be appointed.

I should like on this occasion, for the purposes of the record, and in order to make my position clear, to read a telegram which I have received from a prominent member of the Democratic Party in the State of Kansas, which is as follows:

Leading Democrats here resent the appointment of C. B. Merriam, of Topeka, to important position under Democratic administration. Wish to know reason for handing the first good position to prominent Republican when so many qualified Democrats are available.

I will now read my answer to that message. But first let me say that I am not reading this correspondence in order to advise the Senate but in order that the record may be clear, from my standpoint, with the members of my party in my State. My answer to that telegram was as follows:

The Federal Home Loan Bank here in Washington is a bipartisan board and is not Kansas State patronage, the President being under no obligation to appoint anyone from Kansas. I therefore have no way of controlling the matter of which State shall be accorded either the Republican or Democratic appointments on this National Board. Mr. Merriam was appointed to fill a Republican vacancy on the Board. I did not recommend Mr. Merriam, and his appointment was made without consultation with me.

So far as I am concerned, Mr. President, and so far as are concerned the members of the Democratic Party residing in Kansas with whom I have conferred who are acquainted with Mr. Merriam, there is no objection to his appointment or confirmation to this position as a Republican member of the Board.

I merely wanted to put this statement in the RECORD in order that citizens of the State of Kansas might be made aware of my position and attitude concerning the matter.

The VICE PRESIDENT. Is there objection to the present consideration of the nomination? The Chair hears none, and without objection, the nomination is confirmed.

Mr. BULKLEY. Mr. President, until this confirmation shall be completed the Home Loan Bank Board will be without a quorum. I therefore ask unanimous consent that the President may be notified of the confirmation of the nomination.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the President will be notified.

THE CALENDAR

The VICE PRESIDENT. The calendar is in order. The clerk will state the first business on the calendar.

The CHIEF CLERK. Treaty (Ex. C, 72d Cong., 3d sess.) between the United States and the Dominion of Canada for the completion of the Great Lakes-St. Lawrence deep waterway, signed on July 18, 1932.

Mr. ROBINSON of Arkansas. I ask that the treaty go over.

The VICE PRESIDENT. The treaty will be passed over.

GOVERNOR OF ALASKA

The Chief Clerk read the nomination of John W. Troy, of Alaska, to be Governor of Alaska.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of Robert G. McGregor, Jr., to be secretary in the Diplomatic and Foreign Service.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Peter H. A. Flood to be secretary in the Diplomatic and Foreign Service.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of George M. Graves to be secretary in the Diplomatic and Foreign Service.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Robert Lacy Smyth to be secretary in the Diplomatic and Foreign Service.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Harold B. Quarton to be consul general.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Ernest L. Ives to be consul general.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

FEDERAL RADIO COMMISSION

The Chief Clerk read the nomination of James H. Hanley to be a member of the Federal Radio Commission for the unexpired term of 6 years from February 24, 1930.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nomination is confirmed.

Mr. DILL. Mr. President, I ask unanimous consent that the President be notified of the confirmation of Mr. Troy as Governor of Alaska, and of Mr. Hanley as a member of the Federal Radio Commission.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the President will be notified. That completes the calendar.

MESSAGE FROM THE HOUSE

The Senate resumed legislative business.

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 593) for the relief of unemployment through the performance of useful public work, and for other purposes, and it was signed by the Vice President.

VALUATION OF THE GREENBACK

Mr. ROBINSON of Arkansas obtained the floor.

Mr. FESS. Mr. President, will the Senator yield to me for a moment?

Mr. ROBINSON of Arkansas. I yield.

Mr. FESS. Mr. President, several inquiries have come to me from various sources as to how low the greenback dollar fell in value and when it reached par. I have a statement from the Treasury Department giving the range of values of the greenback dollar from 1862 to 1878, including the day before specie payments were resumed. The lowest point reached was 38.7 cents and the highest was 99.9 cents. The day before specie payments were resumed the value was within one tenth of 1 cent of a dollar. I ask to have this table prepared by the Treasury Department inserted in the RECORD for general information.

The VICE PRESIDENT. Is there objection?

Mr. NORRIS. Mr. President, we were unable to hear what the Senator's request was. I wish he would turn around and repeat it so that we may hear it.

Mr. FESS. I was stating to the Senate the value of the greenback dollar from 1862 to 1878, and I ask to have the table put in the RECORD.

Mr. NORRIS. Has the Senator got the figures showing also variation in the gold dollar during that time?

Mr. FESS. I have, but I did not ask for that.

Mr. NORRIS. I ask the Senator to include in his request the range of the gold dollar as well as of the greenback dollar. If he will do that I have no objection.

Mr. FESS. If the Senator objects I will not make the request.

Mr. NORRIS. I ask unanimous consent to put them both in the RECORD—both the variation of the gold dollar and the variation of the greenback dollar as well.

The VICE PRESIDENT. Is there objection?

Mr. FESS. Reserving the right to object, I should like to know who has the figures as to the range of the gold dollar.

Mr. NORRIS. The Senator said he had, and I am taking him at his word.

Mr. FESS. No, no; I have the currency value of gold.

Mr. NORRIS. The Senator said he had it there, but he was not offering it.

Mr. FESS. Oh, no; I have not it. I have simply the range of the value of the greenback dollar.

Mr. NORRIS. I asked the Senator that question, and I thought he answered it in the affirmative.

Mr. FESS. I misunderstood the Senator.

Mr. NORRIS. If the Senator has not anything else there, I will withdraw my objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Ohio? The Chair hears none.

The matter referred to is as follows:

Table showing the average value in gold of \$100 in currency in the New York market, by months, from Jan. 1, 1862, to Dec. 31, 1878, both inclusive

Periods	1862	1863	1864	1865	1866	1867	1868	1869	1870	1871	1872	1873	1874	1875	1876	1877	1878
January	97.6	68.9	64.3	46.3	71.4	74.3	72.2	73.7	82.4	90.3	91.7	88.7	89.7	88.9	88.6	94.0	97.9
February	96.6	62.3	63.1	48.7	72.3	72.8	70.7	74.4	83.7	89.7	90.7	87.6	89.1	87.3	88.2	94.8	98.0
March	98.2	64.7	61.4	57.5	76.6	74.1	71.7	76.2	88.8	90.1	90.8	86.6	89.2	86.6	87.5	91.4	98.8
April	98.5	66.0	57.9	67.3	78.6	73.7	72.1	75.2	88.4	90.4	90.0	84.9	88.2	87.1	88.5	94.2	99.4
May	96.8	67.2	56.7	73.7	75.9	73.0	71.6	71.8	87.2	89.7	88.0	85.0	89.9	86.3	88.8	93.5	99.3
June	93.9	69.2	47.5	71.4	67.2	72.7	71.4	72.4	88.6	89.0	87.8	85.8	90.0	85.4	88.9	94.9	99.2
July	86.6	76.6	38.7	70.4	66.0	71.7	70.1	73.5	85.6	89.0	87.5	86.4	91.0	87.2	89.4	94.8	99.5
August	87.3	79.5	39.4	69.7	67.2	71.0	68.7	74.5	84.8	89.0	87.4	86.7	91.2	88.1	89.9	95.2	99.5
September	84.4	74.5	44.9	69.5	68.7	69.7	69.6	73.1	87.1	87.3	88.1	88.7	91.2	86.4	90.9	96.8	99.6
October	77.8	67.7	48.3	68.7	67.4	69.7	72.9	76.8	88.7	88.3	88.3	91.8	91.0	85.9	91.2	97.3	99.5
November	76.3	67.6	42.8	68.0	69.5	71.6	74.4	79.2	89.8	89.9	88.6	92.1	90.2	87.2	91.7	97.3	99.8
December	75.6	66.2	44.0	68.4	73.2	74.2	74.0	82.3	90.3	91.5	89.1	90.9	89.6	87.8	92.6	97.3	99.9

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 4 o'clock and 31 minutes p.m.) the Senate took a recess until tomorrow, Friday, March 31, 1933, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 30 (legislative day of Mar. 13), 1933

FOREIGN SERVICE

SECRETARIES IN THE DIPLOMATIC SERVICE

Robert G. McGregor, Jr. George M. Graves.
Peter H. A. Flood. Robert Lacy Smyth.

CONSUL GENERALS

Harold B. Quarton.
Ernest L. Ives.

MEMBER OF THE FEDERAL RADIO COMMISSION

James H. Hanley to be a member of the Federal Radio Commission.

MEMBER OF THE FEDERAL HOME LOAN BANK BOARD

C. B. Merriam to be a member of the Federal Home Loan Bank Board.

GOVERNOR OF ALASKA

John W. Troy to be Governor of Alaska.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 30, 1933

The House met at 12 o'clock noon.

The Reverend Clifford H. Jope, pastor, Ninth Street Christian Church, offered the following prayer:

Gracious Father, we are thankful for that sense which drives us to seek Thy favor in every important undertaking. Today, at the opening of significant deliberation in this Chamber, we implore Thy divine leadership, as unmistakable and definite as "the pillar of cloud by day and the pillar of fire by night." May Thy presence be our guide, giving us inward calm, when we are to tread in an unfamiliar road. Give us holy courage, that we may not be daunted by any foe or turn aside from our appointed task. May we find our delight in such things as please Thee. Keep us from excess of fear, doubt, and love of self; and by Thy love and pardon let us abide in peace. May Thy choicest favor rest upon the executive, legislative, and judicial leaders of this Nation and all those who labor for the people's highest good. Keep us every day till Thou shalt keep us evermore. In the Master's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

PERMISSION OF COMMITTEE ON THE JUDICIARY TO SIT DURING THE SESSION OF THE HOUSE

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have permission to sit today during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

There was no objection.

APPOINTMENT OF MEMBERS TO COMMITTEES

Mr. SNELL. Mr. Speaker, I offer a resolution (H.Res. 87) and ask for its consideration.

The Clerk read the resolution, as follows:

House Resolution 87

Resolved, That CHARLES M. BAKEWELL, of Connecticut, be, and is hereby, elected a member of the standing Committee on Education of the House of Representatives.

The resolution was agreed to.

Mr. DOUGHTON. Mr. Speaker, I offer a privileged resolution (H.Res. 88) and ask its immediate consideration.

The Clerk read as follows:

House Resolution 88

Resolved, That the following Members be, and they are hereby, elected members of the following standing committees of the House of Representatives, to wit:

Foreign Affairs: MARTIN A. BRENNAN, Illinois; LAWRENCE E. IMHOFF, Ohio.

Agriculture: SANTIAGO IGLESIAS, Puerto Rico.

Insular Affairs: WILLIAM H. LARRABEE, Indiana; SANTIAGO IGLESIAS, Puerto Rico.

Education: KATHRYN O'LOUGHLIN MCCARTHY, Kansas; FRANK GILLESPIE, Illinois.

District of Columbia: THEO. B. WERNER, South Dakota; JAMES G. SCRUGHAM, Nevada.

Roads: FRANK GILLESPIE, Illinois.

The resolution was agreed to.

GRAIN, STRAW, ETC., AS SUBSTITUTE FOR MOTOR FUEL

Mr. ADAMS. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes, not to make a speech, but to present a resolution.

The SPEAKER. Is there objection to the request of the gentleman from Delaware [Mr. ADAMS]?

There was no objection.

Mr. ADAMS. Mr. Speaker, I have asked for this time to present a resolution passed by the State of Delaware, which embraces the district which I have the honor to represent. The resolution is as follows:

Whereas science has recently developed a process by which grain, straw, and other similar agricultural products may be utilized to produce a substitute or ingredient for a motor fuel; and

Whereas if such process is given wide-spread use it will tend to alleviate in measure the distress which is prevalent at the present time with our farmers, inasmuch as our farmers will be able to dispose of their excess and surplus crops thereby, all of which will help to give the agricultural sections greater purchasing power, and thereby help to end the depression; and

Whereas it appears that the problem is one of national scope and one that properly belongs in the jurisdiction of the National Congress: Now, therefore, be it

Resolved by the Senate and House of Representatives of the State of Delaware in General Assembly met, That the National Congress

be, and it is hereby memorialized to give such aid and impetus as is necessary and fitting to promote the use of the process which utilizes the grain, straw, and other agricultural products in producing a substitute or ingredient for gasoline or motor fuel.

MEDICINAL LIQUORS

Mr. SABATH. Mr. Speaker, I call up the resolution (H.Res. 86) and ask its immediate consideration.

The Clerk read as follows:

House Resolution 86

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 562, an act relating to the prescribing of medicinal liquors.

That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?
Mr. SABATH. I yield.

Mr. BLANTON. Mr. Speaker, this rule that is called up is certainly in the hands of its friends. All of the 1 hour of time on the rule is controlled by the strong wet advocates of this bill. That is not a fair division of time.

Mr. SABATH. Mr. Speaker, I yielded for a question but not for a statement.

Mr. BLANTON. I want to ask my friend if he does not think under those circumstances at least one half of the time for general debate that is to be devoted to this bill in the Committee of the Whole House on the state of the Union should be controlled by somebody who is against it?

Mr. SABATH. I have no objection, if the opposition desires to utilize half of the time.

Mr. BLANTON. Will not the gentlemen have the rule changed so that the time in opposition to the bill shall be controlled by those who are against the bill and not by those who are for it?

Mr. SABATH. I feel there will be no objection on the part of the gentleman on the other side to yielding to those who are opposed to the bill.

Mr. BLANTON. Oh, but there ought to be an equal division of time controlled by those who are opposed to the bill, to be yielded at will to opponents of the bill, under the fair rules of debate. I want to go along with the gentleman, as far as I can consistently, to expedite the time of the House. I know there is no reason on earth why any of us who oppose this bill should think we could stop the passage of this whisky measure, but those of us who are against it, who are unalterably opposed to putting the Government into the liquor business, want to be heard before doctors and drug stores are allowed to furnish whisky in unlimited quantities to everybody who is financially able to pay cash for it.

Mr. CELLER. Mr. Speaker, the regular order.

Mr. BLANTON. Oh, the gentleman from New York cannot rush things by calling for the regular order. We must have an understanding. Will the gentleman from Chicago see that I get some time?

Mr. SABATH. I will see that the gentleman gets such reasonable time as he may desire.

Mr. BLANTON. That is all I ask.

Mr. MARTIN of Massachusetts. Will the gentleman from Texas tell us how much time he wants?

Mr. BLANTON. I desire 10 minutes on the rule.

Mr. MARTIN of Massachusetts. I will give the gentleman from Texas 10 minutes on the rule.

Mr. SABATH. Does the gentleman from Massachusetts desire some time on the rule?

Mr. MARTIN of Massachusetts. All the time we require on the rule is enough to satisfy the needs of the gentleman from Texas.

Mr. BLANTON. I want 10 minutes on this rule. Before doctors are authorized by this bill to sell unlimited prescriptions for whisky at \$3 per, and before drug stores are allowed

to sell whisky at \$4 per pint in unlimited quantities, I want time to register my protest against it.

Mr. SABATH. Mr. Speaker, I myself do not desire to take up much time. This is a liberal rule, something unusual for these times, unlike some of the other rules we have been obliged to bring in.

This bill makes in order Senate bill 562, which was unanimously passed by that body yesterday, and which is identical to the bill passed by the House in the last session of Congress.

This rule permits the bill to be taken up under the 5-minute rule, and 30 minutes a side is allowed for general debate. While the bill is being taken up under the 5-minute rule, those Members desiring to offer amendments will have the opportunity to do so. Members have complained bitterly that heretofore they have had no opportunity to offer amendments. This rule permits amendment.

As I stated, this bill was unanimously passed by the Senate and passed by the House in the last session by a tremendous vote.

This bill is intended to accomplish three purposes:

First. To enable a person in need of liquor because of disease, injury, or other disability, to obtain it in such quantities as are medically indicated.

Second. To insure to patients for whom medicinal liquor is needed secrecy concerning the ailments from which they suffer.

Third. To simplify prescribing, thereby saving approximately \$110,000 a year to the Government.

The ends named are to be accomplished without weakening the control of medicinal liquor by the Government.

To enable patients to obtain necessary medicinal liquor the bill proposes to strike out of the National Prohibition Act as supplemented and amended all statutory limits on the quantity of liquor that may be prescribed and the number of prescriptions that may be issued, and to insert in lieu thereof, "no more liquor shall be prescribed to any person than is necessary to supply his medicinal needs."

An estimated saving of approximately \$110,000 a year is to be effected by discontinuing the use of the present official prescription blanks, which cost the Government about \$125,000 a year, and substituting for them stamps, to be used in authenticating physicians' lawful prescriptions, which will cost the Government from \$10,000 to \$15,000 a year.

With the exception of the gentleman from Texas [Mr. BLANTON] I do not know of anyone who is opposed to it. Therefore, I shall not take up the time of the House, especially since the day is so beautiful and since some of the Members have very important appointments out of doors. I feel that after these days of struggle and strife they are entitled to a little rest and to an opportunity to inhale some of the invigorating air.

I yield to the gentleman from Texas [Mr. BLANTON] the 10 minutes that have been agreed upon by the gentleman from Massachusetts.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 562. An act relating to the prescribing of medicinal liquors.

Mr. BLANTON. Mr. Speaker, this message from the Senate has just brought over the bill from the other end of the Capitol.

Mr. SABATH. That is the reason I took up the time.

Mr. BLANTON. Under a special rule from the Rules Committee we are to take up a bill—in fact, we already had taken up a bill—that had not yet been messaged over from the Senate. That is some speed for our wet friends. This bill passed the Senate yesterday without even the floor leader knowing what was going on. It was called up by consent and passed without debate in the twinkling of an eye. After it had passed, the floor leader demanded that someone

should make a brief explanation of the bill, and he was informed that the bill had already passed. No such bill is going to pass this House without the people's knowing about it.

We have a rule here under which all the time on the rule is controlled by those in favor of this bill, and if it were not for the generous courtesy of my good friend from Illinois [Mr. SABATH], whom, in spite of his wet ideas, all of us drys love, if it were not for his kindness we would not have any time.

Under the rule all the time on our Democratic side is to be controlled by our friend from New York [Mr. CELLER], who is sponsoring the bill. Not a dry can yield 1 minute of time on this rule to a dry; not one. Is this fair?

Mr. BOYLAN. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. BOYLAN. The gentleman has his time. What is he hollering about?

Mr. BLANTON. Oh, well, I want fairness. I want an equitable division of time in debate.

I want fairness in the great House of Representatives. There should always in debate here be a fair division of time.

Mr. MARTIN of Massachusetts. Does not the gentleman know that the gentleman from Pennsylvania [Mr. KURTZ], who is to control the time on our side, is a dry?

Mr. BLANTON. Certainly he is, and with it he is a splendid gentleman; but he has no time on this rule.

There ought to be somebody here to oppose the bill in charge of half the time on this rule on the dry side who has half of the time to yield.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Just one minute; I want to use myself what little time the gentleman so generously gave me.

This is not a question of alcoholic content over which there might be some scientific diversity of opinion. This is a question of hard liquor. This is a question of rye whisky. This is a question of liquor about the intoxicating effect of which there is no controversy. This is about liquor that will intoxicate, and you are providing that it can be handed out in drug stores by wet doctors in every dry State of this Union. There is not a single dry State in this Union that is protected under this bill. There has been a terrible scandal in the States already under the old law.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. BANKHEAD. Does the gentleman think he is accurate in stating this bill will give unrestricted power to physicians to issue prescriptions in dry States?

Mr. BLANTON. Why will it not do just that?

Mr. CELLER. Mr. Speaker, will the gentleman yield to permit me to answer his question?

Mr. BLANTON. Yes.

Mr. CELLER. The States have a perfect right to pass their own enactments precluding the issuance of prescriptions. More than 12 States now preclude them.

Mr. BLANTON. It is ridiculous to say that we will pass a bill that will put liquor in every single corner of every dry State, and then let the Government force the people of the States to the extra expense of calling the legislatures into session to pass laws to stop the effects of such a bill. We ought to protect them in this bill.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I am afraid I cannot yield.

Mr. O'CONNOR. We will get the gentleman some more time.

Mr. BLANTON. Get me 10 minutes more and I will answer every question you wet Members want to ask me. Get me 3 minutes more and I will yield. Otherwise, I want to use my own time.

I want to ask you this: Are you in favor of nullifying the Constitution?

Under the old law, even in my own dry State, physicians have signed prescriptions in blank and left them in drug stores and men have gone there and gotten them without

even seeing a physician simply by paying \$3 for the prescription and \$3 to \$4 for the pint of whisky. It has been a scandal. This has been true in many of the dry States in this Nation; and you know what will happen under this bill. Prescriptions will be granted to the sons of the idle rich; they will get their whisky whenever they want it, having the money to pay for it. They will pay their doctor \$3 a prescription and they will pay \$4 and \$5 a pint for it at the drug stores; they will stick it in their hip pockets and have it at every social function in the United States, and you know it. Why do you want to pass this bill?

Mr. KNUTSON. It only costs \$2.

Mr. BLANTON. It sells higher than \$2 in certain portions of the country.

Mr. KNUTSON. In Minnesota it is only \$2.

Mr. BLANTON. Oh, everything is cheap in Minnesota. [Laughter.]

Mr. McFARLANE. Will the gentleman yield?

Mr. BLANTON. I yield to my friend.

Mr. McFARLANE. Dr. Rosser, past president of the State Medical Association of Texas, in January of this year in substance made the statement before a large gathering of people in Dallas that liquor is not necessary in the treatment of any of the human ailments.

Mr. BLANTON. Oh, but you cannot make our thirsty friends here in the House admit that. What would Dr. O'CONNOR do if he were prescribing and the thirsty were to go to him for liquor? He would prescribe a dozen bottles every few hours. What would Dr. SABATH do? You could get all the liquor you wanted from Dr. SABATH. You could get every single pint of liquor you wanted from Dr. CELLER. They would not hesitate to let you have barrels of it if you needed it. And if you were thirsty, they would say you needed it.

Mr. SABATH. What about Dr. SIROVICH?

Mr. BLANTON. Dr. SIROVICH would bathe you in it. He would feed it to the American babies instead of milk.

Mr. SIROVICH. Will the gentleman yield for a question?

Mr. BLANTON. Certainly.

Mr. SIROVICH. I want to tell my distinguished friend that while I have been a physician for 25 years, since the prohibition law went into effect—

Mr. BLANTON. Look out; you are going to make a dangerous admission.

Mr. SIROVICH. While I have the right to fill out 100 prescriptions every month, as has every physician in the United States, I never gave one in my life, and the records of the Prohibition Department will show that Dr. SIROVICH's name has never appeared once on any liquor prescription.

Mr. BLANTON. That proves my statement that it is not necessary. [Laughter and applause.] You are passing a bill here that is absolutely unnecessary except to nullify the Constitution. I showed this by the statement of our good friend from Washington, Dr. Summers.

Mr. SIROVICH. The gentleman made the statement—

Mr. BLANTON. I do not yield further. I am not going to let you capitulate on your statement.

Dr. Summers, who served here for years, stated when this bill was up before that he had been a physician and had medals from lots of hospitals and from foreign countries, that he did not believe it was necessary for a physician to prescribe liquor. I had another doctor get up here and make the statement that it is not necessary.

We all know it is not necessary, but this is a bill to nullify the Constitution and make it easy for people who have the money to get hard liquor in every State in the Nation. You wets had better look out. You who want to repeal the eighteenth amendment are going to make conditions so bad and indecent that you are going to find out that the American people are going to rise up in their might and tell you that "you cannot pass", and they will refuse to repeal the eighteenth amendment. When they do change, they will force you to repeal this iniquitous law that puts plenty of hard liquor in every dry State of the Nation for all who can pay for it. [Applause.]

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. SIROVICH].

Mr. SIROVICH. Mr. Speaker, when I interrogated my dear friend, TOM BLANTON, I wanted to call his attention to the fact that since prohibition has gone into effect I have been doing surgical work. As a surgeon it was absolutely unnecessary for me to prescribe liquor for patients before going upon the operating table. That is why I have never prescribed liquor to any patient entrusted to my care. The records in the Prohibition Department will confirm my statement. However, most of the physicians of our country have used medicinal alcohol in the form of cognac, whisky, brandy, wine, and champagne to bridge over the distressing period of infectious and contagious diseases and during the period of convalescence.

Alcohol should only be used in an emergency. It should be a temporary remedy, used in crisis in pneumonia and in other infectious diseases to stimulate the heart, or occasionally to be utilized as a sedative to induce sleep. The heart reacts quickly and effectively and responds at once to the use of medicinal alcohol.

In the past alcohol was used mainly in the treatment of acute infections. In such infections large amounts of alcohol could be tolerated without becoming intoxicated. In these infectious diseases alcohol acted as a food, tending to spare the tissues of the body. It permitted the retention of fluids in the body, a matter of great importance in fevers, particularly because the loss of water through perspiration is great and serious under these conditions. Under such conditions, when the patient is suffering from an infectious disease, the utilization of alcohol creates a feeling of artificial well-being. Alcohol judiciously given in small doses under such conditions is more beneficial to the patient than the ingestion of opiates, which depress him more.

Alcohol in moderate doses in pneumonia, influenza, typhoid fever stimulates the respiration, dilates the blood vessels, and helps to modify the circulation.

The great virtue of using alcohol during the period of convalescence, or during the height of acute infectious and contagious diseases, is the fact that alcohol is burned in the body and thus serves as a great source of energy. Its chief utilization under such conditions is not only as a medicine but as a food. Its value consists in the fact that it is not nitrogenous. It cannot replace protein substances that are broken down in the body, but it acts as a substitute for some of the carbohydrates or starches in the body. Medicinal alcohol has also been used in the treatment of diabetes. Professor Duclaux, of the Pasteur Institute of France, was so greatly impressed with the evidence on this question that he boldly asserted that alcohol as a medicine, and particularly as a food, surpasses starch and sugar in value, since weight for weight it contains more energy and heat. As a matter of fact, alcohol is completely oxidized in the stomach, absorbed in the tissues, immediately creates heat and energy and leaves no refuse behind, with the exception of carbon dioxide and water.

When alcohol is taken in moderation, Professor Dixon contends no injurious effects could be proven. The people who create the great alcohol problem of our country are heavy drinkers. They constitute the psychopathic constitutional inferior group. The reason they drink so much medicinal alcohol is to help them feel like normal human beings.

The American Medical Association of the United States has repeatedly contended that alcohol is helpful in the treatment of disease and is being used by some of the greatest men in our profession.

Mr. Speaker, ladies, and gentlemen, at a meeting of the Medical Society of New York our affable and distinguished Surgeon General of the United States Public Health Service, Dr. Hugh Cumming, in discussing the treatment of influenza, after I had introduced him to the membership of that society, said that one of the most important drugs that could be utilized to relieve the victims of this influenza condition was none other than medicinal alcohol. No one, therefore, will deny that medicinal alcohol, when used in

moderation as a drink, medicine, and food, has been instrumental in preserving the lives of thousands of people who have had the privilege of using it. [Applause.]

The Copeland-Celler bill should be passed immediately, as it will bring back to the medical profession the rights, privileges, and prerogatives of the doctor, which he should never have been deprived of through legislation in the past. [Applause.]

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin, Dr. HENNEY.

Mr. HENNEY. Mr. Speaker and my fellow colleagues, I should be recreant in the loyalty that I owe to my medical confreres throughout the United States were I not to add my voice in approval of this bill. The American Medical Association, representing as it does the most scientific group of men in the medical profession and voicing the highest ideals of that profession in exactly the same manner as the American Federation of Labor, went on record years ago against the Volstead Act. As I have stated, our best intellects, our most scientific, cultured, and ethical physicians and surgeons, are members, and the leaders of the American Medical Association, and, if I may digress, if I may be pardoned for group praise, for community adulation, I should say that practically every advance that has been made and every scientific life-saving discovery that has been advanced has come from the regular medical profession represented in the country by the American Medical Association. I need only mention the control of diphtheria, scarlet fever, small-pox, typhoid fever, yellow fever, tetanus or lockjaw, spinal meningitis, infantile paralysis, pernicious anemia, diabetes, Asiatic cholera, leprosy, and scores of other devastating diseases, most of which but a few short years ago were simply treated by physicians, handled by the incantations of the religious, and, as a matter of finality, they were given transportation by the kindly sexton to that uncertain and uncherished great beyond. Today it is different, thanks to the scientists, many of whom have lost their lives from the very diseases that they were investigating in order that others might live.

I have prefaced my remarks in this way in order to show "what manner of men they were."

The group of educated men, skilled as they are in the pathology and diagnosis of diseases and trained by long experience and experimental study in the application of serums, drugs, and remedies in the treatment of maladies, are the best equipped and the only ones authoritatively capable of passing upon the efficacy or worthiness of such remedies. Certainly it is not the janitor, the minister, the professional reformer, nor Mother Grundy who shall set himself up as the court of last appeals in the modus operandi of the humble physician. As early as 1922 the American Medical Association, through a resolution by the house of delegates at the St. Louis convention, went on record as being opposed to the Volstead law. They were the best equipped and in the best position of any group of men, professional or otherwise, to pass sober judgment on this experiment. Insofar as I know, they were the only large group of professional men for several years who fearlessly so expressed themselves. In the July 1922 issues of the Journal of the American Medical Association it was stated:

The vote of the house of delegates is interesting as an exhibit of professional opinion, but points out that Congress is its own medical authority, just as it is its own economic and financial authority. It has ordered, in effect, that whisky is not necessary in medical practice, and, having rejected the testimony of the doctors as incompetent, it is immaterial how large a percentage of practicing physicians regard the use of whisky as beneficial.

On April 30, 1922, Dr. Lambert, dean emeritus of Columbia University, New York City, who had won a case in the lower courts of New York as to the constitutionality of the Volstead Act, defended his case in the Supreme Court. The American Medical Association filed a brief on the one hand in behalf of Dr. Lambert and the Anti-Saloon League on the other filed one against him. The case was finally decided, upholding the constitutionality of the Volstead Act by a vote of 5 to 4.

Beginning in January 1922, the American Medical Association, being aware of the fact that they would be accused of being partisan and of having ulterior motives in the matter, and being cognizant that the argument would be used against them that the leaders were the hierarchy of the organization and in nowise represented the medical "hoi polloi", set about to conduct a referendum of the physicians of the entire United States. To be absolutely fair, they decided to send questionnaires to every alternate subscriber to the Journal throughout the United States. In the villages where there was but one physician he was sent a blank, and if there were two the one whose name ranked nearest to the "A" end of the alphabet was sent this questionnaire. Besides these there were sent out 10,000 questionnaires to the physicians who were not members of the American Medical Association. The following questions in substance were asked:

- (1) Do you believe that whisky is necessary in the treatment of disease?
- (2) Do you believe that wine is necessary in the treatment of disease?
- (3) Do you believe that beer is necessary in the treatment of disease?
- (4) Have you had any patients die or suffer harmful results because of the lack of liquors, wine, or beer in the treatment of disease?
- (5) Do you hold a permit to prescribe or dispense liquors?
- (6) What is your opinion of the Volstead law?

About 58 percent of the physicians answered the questionnaire, which is a very large return on such a referendum, and the percentage of answers was practically the same from all sections of the United States—North, East, South, and West—and I might add that the percentages of "no" and "yes" from the several sections held very much the same relation on all of these questions.

Mind you, this was early in 1922, when people were still worshipping at the shrine of Volsteadian idealism, and the psychological reaction against this quintessence of congressional folly had not as yet begun to assert itself; still at that time nearly 50 percent of the physicians of the country were partial to liquor as a necessary remedy in therapeutics. About 33½ percent answered "yes" for wine, and about 25 percent were in favor of beer as a remedial agent. About 50 percent of those who answered had not made application for permits to dispense or prescribe liquors. About 5 percent stated that patients had suffered or died because of the need for alcoholic stimulants, and many of them who, in replying to the question asking for their opinion of the Volstead law, stated that there was absolutely no need for liquor or any other alcoholic beverage and that all diseases were better treated in some other way, there were an equal number of others who were honest, we must assume, in their praises of the merits of whisky and other alcoholic liquors in medicine. Comments were made at that time of the observations of a large number of physicians from Iowa, Kansas, Nebraska, Maine, and other traditionally dry States, who stated that law observance was breaking down and that young people were becoming addicted to the use of intoxicants.

Again in June 1923 the house of delegates condemned the Volstead Act and passed a resolution requesting Congress to remove the restrictions on physicians' prescriptions, and again on June 24, 1924, the house of delegates of the American Medical Association went on record thus, adopting a resolution calling for repeal of certain sections of the Prohibition Act, as they might interfere with the proper relation existing between physician and patient. Each year since 1922 the association has gone on record and memorialized the higher-ups to repeal the Volstead Act, and particularly that part of it in which the Prohibition Bureau sets itself up with Esculapian erudition, telling the lowly physician how much, how often, where, and when he may be permitted to prescribe a drug, to apply a remedy, that he, or at least a large percentage of physicians, has believed to be a necessary adjunct to his therapeutic armamentarium.

The stimulating effect of a small dose of whisky does not last over 1 or 2 hours, as it is promptly excreted. If 2 teaspoonfuls, which is a small dose, as used in pneumonia or flu were dispensed every hour, it would be equal to 1 ounce every 4 hours, or 6 ounces per day. The pint of 16 ounces allowed by Dr. Volstead would be entirely used up in 3 days and 2 ounces extra shall have to be borrowed from the hired man's "hipper". Every physician will admit that if liquor has any beneficial result it must be used this way, and also that this dose is small. Then, again, other cases would not require more than a pint of liquor in 3 weeks, namely, senile patients with weak hearts.

The placing of this restriction, the attempting to apply their therapeutic yardstick to all cases is an illogical and unreasonable restriction. It is an injustice to the conscientious and honest physician. If a remedy has value, a physician should be allowed to use his judgment as to why, when, where, and how it should be administered. If you employ him as your physician, no doubt you think you need him, and you have confidence in him. Why, then, the silly limitations as to what drug and how much you should allow him to administer? Better consult Gunn's family doctorbook and take Lydia Pinkham's universal remedy, or the famed cough drops with the whiskers. I am for this bill and I hope it passes this House. [Applause.]

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. CELLER. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill S. 562, an act relating to the prescribing of medicinal liquors.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. GOLDSBOROUGH in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of a bill, which the Clerk will report.

The Clerk read the bill, as follows:

S. 562

An act relating to the prescribing of medicinal liquors

Be it enacted, etc., That (a) the third sentence of section 7 of title II of the National Prohibition Act, as amended, is amended to read as follows: "no more liquor shall be prescribed to any person than is necessary to supply his medicinal needs, and no prescription shall be refilled. No person shall by any statement or representation that he knows is false, or could by reasonable diligence ascertain to be false, induce any physician to prescribe liquor for medicinal use (1) when there is no medicinal need for such liquor or (2) in excess of the amount of medicinal liquor needed."

(b) Section 7 of title II of such act, as amended, is further amended by inserting before the period at the end thereof a semicolon and the following: "but no physician shall be called upon to file any statement of such ailment in the Department of Justice or the Department of the Treasury or in any other office of the Government, or to keep his records in such a way as to lead to the disclosure of any such ailment, except as he may be lawfully required (1) to make such disclosure in any court in the course of a hearing under authority of section 9, title II, of this act, or (2) to make such disclosure to any duly qualified person engaged in the execution or enforcement of this act or any act supplementary hereto."

Sec. 2. Strike out section 8 of title II of the National Prohibition Act, and insert in lieu thereof the following:

"Sec. 8. The Commissioner shall cause stamps to be printed, the design of which shall be prescribed by regulations in accordance with the provisions of this act, and he shall furnish the same free of cost to physicians holding permits to prescribe. Each such physician shall affix one of said stamps to each such prescription written by him and shall cancel same under regulations to be prescribed in accordance with the provisions of this act. No physician shall prescribe and no pharmacist shall fill any prescription for liquor unless such stamp is affixed thereto. Every person who, otherwise than is authorized by this act, uses or who falsely makes, forges, alters, counterfeits, or re-uses any stamp made or used under any provision of this act, or with such intent uses, sells, or has in his possession any such forged, altered, or counterfeited stamp, or any plate or die used or which may be used in the manufacture thereof, or who shall make, use, sell, or have in his possession any paper in imitation of the paper used

in the manufacture of any stamp required by this act, shall, on conviction, be punished by a fine not exceeding \$1,000 or by imprisonment at hard labor not exceeding 2 years. The effective date of this section 2 shall be not earlier than January 1, 1934."

SEC. 3. Strike out the first paragraph of section 2 of the act entitled "An act supplemental to the National Prohibition Act", approved November 23, 1921, and insert in lieu thereof the following:

"SEC. 2. Only spirituous and vinous liquor may be prescribed for medicinal purposes. All prescriptions for any other liquor shall be void. But this provision shall not be construed to limit the sale of any article the manufacture of which is authorized under section 4, title II, of the National Prohibition Act."

SEC. 4. Strike out subdivision (a) of section 5 of the Prohibition Reorganization Act of 1930, and insert in lieu thereof the following: "(a) The Attorney General and the Secretary of the Treasury shall jointly prescribe all regulations under this act and the National Prohibition Act relating to permits and prescriptions for liquor for medicinal purposes, and the quantities of spirituous and vinous liquor that may be prescribed for medicinal purposes, and the form of all applications, bonds, permits, records, and reports under such acts: *Provided*, That all regulations relating to the Bureau of Prohibition in the Department of Justice shall be made by the Attorney General."

GEORGE M. COHAN

MR. PEYSER. Mr. Chairman, as a Representative from New York, I should like to announce that a great American, who happens to be a resident of the city that I represent, has honored us by a visit. I refer to a man who has put the American flag before the public in as large a way as any private citizen that I know of. He is the man that wrote the Grand Old Flag during the days of peace, and who composed that thrilling march Over There during the days of strife. I refer to that Yankee-Doodle American, George M. Cohan, who is now in the gallery. [Applause.]

MEDICINAL LIQUOR

MR. CELLER. Mr. Chairman, I yield myself 5 minutes. Mr. Chairman and members of the Committee, this bill seeks to liberalize the rules now applicable to physicians in their prescriptions of medicinal liquor. The bill had its genesis in the recommendations made by the Wickersham Commission, and that commission recommended to the country as follows—and the bill incidentally follows exactly these recommendations:

1. Removal of the causes of irritation and resentment on the part of the medical profession by—

(a) Doing away with the statutory fixing of the amount which may be prescribed and the number of prescriptions.

(b) Abolition of the requirement of specifying the ailment for which liquor is prescribed upon a blank to go into the public files.

(c) Leaving as much as possible to regulations rather than fixing details by statute.

These recommendations were concurred in by President Hoover. They have been concurred in by Dr. Doran, who is the head of the Prohibition Enforcement Bureau of the Treasury Department, who appeared before the Judiciary Committee and advocated this measure. These recommendations were approved by Colonel Woodcock, in charge of the enforcement division of the Attorney General's office, and he advocates this measure and asks you to pass it. There was no dry organization, as far as I know, with one exception, the Woman's Christian Temperance Union, that opposed the bill either in the Senate or in the House. The Anti-Saloon League had its legal representative present at the Senate hearings. He voiced no opposition to the bill. The inference therefore to be drawn is that the militant dry organizations, with the one exception, are unopposed to the bill. I say that advisedly. Mr. Dunford, counsel to the Anti-Saloon League, might well be consulted upon the subject.

This bill does not mean that all restrictions are taken from doctors in their prescribing. The bill is reasonable in the sense that it leaves all the restrictions not to inflexible statute but to flexible regulations; regulations which shall control the number of prescriptions that the doctor may use, the quantity that he may prescribe, the kind of liquor that he may prescribe, and the duration within which he may prescribe it, and those regulations must be adopted as a condition precedent to any changes in the present arrangement. They must be promulgated by the Attorney General and by the Secretary of the Treasury. The burden

thus is upon the medical profession to prove that the present limitations as to quantity and time and number of prescriptions are necessary. Medical science may so advance that they will want the regulations in some way modified. Otherwise, the regulations that exist today will exist tomorrow and the day after and next month. The burden is placed upon the medical profession to indicate to the Departments in question that medical science requires the changes.

At present, if an epidemic breaks out, the Department cannot permit a doctor to write more than 100 prescriptions every 90 days. He might easily justify 1,000. But he and the Department cannot increase the number even to save human life. Under my bill the Department may change the regulations and increase the number.

The gentleman from Texas [Mr. BLANTON] was in error when he said that there would be undue interference with the local laws of States. That is utterly fallacious. Each State can determine for itself, under its police powers, what it may do relative to doctors' prescribing liquor. A State can abolish the practice—can be stricter than the Federal Government. If the gentleman will look at page 23 of the hearings, he will find set forth 21 States which at the time of the hearings, by their local statutes, precluded doctors from prescribing liquor. Since that time some six States, I believe, have changed their statutes so that they are allowing prescriptions at the present time. I have not checked up recently to be absolutely accurate, but I think we may say safely that today, at this moment, no less than 15 States prohibit doctors from prescribing a drop of medical liquor whatsoever. There is no interference with local laws so far as the bill is concerned.

The president of the American Medical Association comes from the gentleman's State. He is Dr. Carey, from the city of Dallas, Tex. He is president of that organization and controls the deliberations of the house of delegates of the American Medical Association, and he has come out foursquare for the bill. The organization has some 125,000 members. Its members are the cream of the profession—all influential members of their communities. Its recommendations must compel attention and enlist profound respect.

There are sufficient safeguards in the bill—I have not the time to go into them in detail—which will prevent diversion of alcohol for beverage purposes. The doctor must continue to keep his records, he must indicate the name of his patient on the stub of his prescription book, and must indicate the nature of the ailment. This requirement is not eliminated. These data must be open to the scrutiny of the Federal agents.

But we do not make it incumbent in this bill upon the doctor to send to the prohibition office, subject to public gaze as it were, the files that the doctor must keep. We do not place under the gaze of the curious and the wicked who may be in the prohibition office the nature of the ailment of the individual suffering in the various communities, so that the patient may be blackmailed. There are cases on record where there has been blackmail and extortion because of the knowledge obtained by minor clerks and irresponsible underlings in the prohibition offices concerning the ailments suffered by people in various communities.

Lastly, Mr. Chairman, there is a saving in this bill, and in this day of economy it is worth while considering that. We save \$110,000 per year because we do away with the necessity of having the Government supply the doctors with prescription blanks, which must be issued in triplicate, and which are printed on fine Government bond paper to prevent counterfeiting. Instead of that we allow the doctor to use his own prescription blank upon which he must affix and cancel appropriately a small stamp which the Government will furnish the doctor. Dr. Doran, Colonel Woodcock, and the Treasury Department have all approved of that change. They are gratified at the change because it does away with much of the red tape now binding the doctor and at the same time saves \$110,000 a year, the cost of printing the prescription blanks.

The present severe limitations on the quantities of liquor obtainable on prescription and the requirement of records disclosing the patient's ailment discourage many doctors from qualifying to prescribe, and makes it impossible in many instances for doctors who have thus qualified to prescribe sufficient quantities for their patients. Many doctors who have thus qualified nevertheless are loathe to involve themselves in the irritating intricacies of the prescription procedure. Thus patients are often driven to illicit channels for their supply of medicinal liquors. The record shows that only a very small amount of pure legitimate medicinal liquors are diverted to beverage use, while the amount of illicit liquor used for medicinal purposes is believed to be large.

All that this bill does is to permit the physician to treat the diseases of his patients and to promote their physical well-being, according to the exercise of his best skill and scientifically trained judgment subject to such regulations as are found by the administrative officers to be necessary to prevent diversion of medicinal liquors to beverage use.

This bill, therefore, has the following advantages:

First. It will aid in enforcement.

Second. It is in the interest of economy, as it involves a saving of \$110,000 per annum in Government printing costs.

Third. It removes the irritations which now harass and cause resentment of an honorable profession.

Fourth. It will encourage the procuring of pure medicinal liquors by the sick from legitimate sources.

Fifth. It will not in any way adversely affect the enforcement of the prohibition on the beverage-liquor traffic.

Permit me to submit the statement of Dr. William C. Woodward, legislative counsel, American Medical Association:

The passage of the Celler-Copeland bill, as it has been designated in the medical press, is the result of many years of effort on the part of the medical profession to obtain legislation to enable patients in need of medicinal liquor to have their physicians prescribe it for them in such quantities as are medically necessary.

A physician's right to prescribe liquor has heretofore been limited by arbitrary quantitative limits laid down in the statute, and based on no known medical principle.

The Celler-Copeland bill will enable patients to obtain what is medically necessary. The bill does away with none of the safeguards against the diversion of medicinal liquor to beverage purposes, for the Attorney General and the Secretary of the Treasury are fully authorized to make regulations limiting the quantity to be prescribed at any one time and the manner of prescribing, although the patient is always entitled to have prescribed for him what is medically necessary.

The physician, too, is still required to keep in his office a book record showing the nature of the ailments for which prescriptions are given, open to inspection by accredited officers of the law. Moreover, no physician can prescribe for a patient except after physical examination and when he believes in good faith that liquor is necessary for the relief and cure of the patient's ailments.

Mr. KURTZ. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I want only sufficient time to correct an erroneous impression given by our good friend from New York [Mr. CELLER]. He cannot name a dry organization in the United States that is in favor of this bill. Oh, because they do not come to his committee and fight any more is just for the same reason that you do not find any more Members now getting up here and opposing this bill. They realize that just now it is useless. This wet sentiment that now pervades the House must run its course. You have got to give this wet movement plenty of rope and let it go as far as it will before the reaction takes place.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I regret that I have not the time. They are waiting for the reaction. Soon the pendulum will start on its reverse swing, and then you may not expect such apathy.

We are going to have a division vote on this bill. That will show that there are yet some men in this House who do not stand up and favor a measure that will let doctors prescribe liquor for every thirsty person who has the money

to pay the doctor and the drug store. That is what will be done. As far as I am concerned, I am not going to ask for a roll-call vote, because I know that no matter how a man votes here now it will hurt him. If he votes dry, the wets will hammer the life out of him. If he votes wet, probably some dries will hammer him. I do not want to cause any trouble to colleagues on either side of the aisle. Just now is no time to create sentiment against men in Congress, so I am not going to ask for a roll call. Unless someone else asks for it, there will not be a roll call.

I want to say that every dry organization in the United States is against this bill; every one of them. Just as my friend from New York was mistaken when he was asked by the gentleman from Maine if the Department of Justice was in favor of this bill said, "Yes; both the Treasury Department and the Department of Justice are in favor of it," but he did not at that time qualify that. He in another instance said that he meant Dr. Doran and Colonel Woodcock had passed on it.

Mr. CELLER. Oh, no.

Mr. BLANTON. Now, just wait a moment. He said Dr. Doran had passed on it for the Treasury Department and he said Mr. Woodcock had passed on it for the Department of Justice.

Mr. CELLER. Will the gentleman yield in the interest of accuracy?

Mr. BLANTON. I am going to put in the question and answer just exactly as it occurred.

Mr. CELLER. The record speaks for itself, and I brought with me the letter of the Acting Secretary of the Treasury, Mr. Ballantine, dated January 9, wherein he indicates he is in favor of it.

Mr. BLANTON. Wait a moment. I only asked for 5 minutes. The gentleman kindly offered me 10 minutes, but I only took 5 minutes. I am going to put in the RECORD the exact question which the gentleman from Maine asked my friend. He asked:

Are these two Departments in favor of it?

And my friend said:

Yes; both the Department of the Treasury and the Justice Department are in favor of it.

Mr. CELLER. That is correct.

Mr. BLANTON. He said he meant Dr. Doran and Mr. Woodcock, but I have positive evidence that the Attorney General of the United States never saw this bill. Attorney General Mitchell never did approve it, and I have positive evidence in my file to that effect.

diated Colonel Woodcock?

Mr. BLANTON. I am not now talking about underlings. I am talking about Departments. When the gentleman refers to the Department of Justice, he does not mean some underling, but he means the head of the Department. The Attorney General is the head of the Department of Justice, and he did not approve the bill.

Mr. Chairman, that is the correction I wanted to make.

Now, you will pass this bill. My friend says the States are protected. The States which do not have laws against it are not protected. They will remain unprotected until they can call their legislatures together. There is not a State now among the 48 States of this Nation, whose legislature is not in session, which is financially able to call the legislature into session to pass a bill to stop this unlimited whisky-selling by doctors and drug stores. You know the depression has struck the States. They have been overmanned like the Federal Government. They must retrench. They are hard up financially. Most of them now are borrowing money from the Federal Government. They are not able to have the legislature meet to pass a law to stop this. The responsibility for it will not be on my shoulders. You wet brothers are doing more to help keep the eighteenth amendment from being repealed by passing this bill than could be done by any dries. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CELLER. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Chairman, I simply arose to say that this question of making the Congress the wet nurse of the country is the cause of a lot of our present trouble. Everything that we eat is supposed to be regulated by Congress; everything we drink is regulated; everything we do is to be regulated by Congress. We are the great regulators. Therefore all the States come to us and lean on us for help and support. No matter what the occasion or necessity is, the cry is heard, "Oh, let the Congress do it."

Under the Prohibition Act and under the act restricting the amount of medicinal liquor to be prescribed by physicians Congress has set itself up as doctors; medical doctors. Dr. TOM BLANTON gets up and says to the medical profession of this country, "Now, let the doctors of Congress tell you what to do. All of your experience and all of your training amounts to nothing in the light of what we order you to do." Those men have spent long years in training not only in the elementary schools but in the medical schools, in post-graduate work and interne work in hospitals. We say to them, "You may only prescribe a certain amount of liquor within 10 days." Why not say, "You can only prescribe so many doses of castor oil within 10 days; so many doses of Coca-Cola; so many doses of digitalis, and so on"? If we are competent to prescribe as to alcohol, why not prescribe as to all of the other drugs in the pharmacopœia? Surely, Dr. TOM BLANTON, from Texas, and the other congressional doctors are not going to say to the medical profession of the United States, "You are restricted in this manner and you are restricted in that manner."

The CHAIRMAN. The time of the gentleman from New York [Mr. BOYLAN] has expired.

Mr. CELLAR. I yield the gentleman 2 additional minutes, Mr. Chairman.

Mr. BOYLAN. All I wanted to say principally was to pay a tribute to the medical profession of America; to the hundred thousand or more noble men and women of our country who have devoted themselves to the medical profession, a profession that requires many years of arduous study and work; a profession that is one of the most poorly compensated in the United States.

Yet, to my mind, a profession that does more real good for humanity than any other profession in the world. Let us say to these efficient men and women who have given their lives to this splendid and noble work: "Your hands are unfettered; you are permitted by the Congress to prescribe what you may see fit to prescribe for your patients in the light of the education and experience you have received."

To my mind the medical profession has been long-suffering for submitting during all these years to these regulations of the Congress. I am glad to see the dawn of a new day, when a new slant upon questions is taken by our people; and in that particular view we are going to hold it is unnecessary for the Congress to restrict our people as to what they should eat, what they should drink, or to regulate this noble profession as to what it should prescribe for the ills of a suffering people. [Applause.]

[Here the gavel fell.]

Mr. KURTZ. Mr. Chairman, I yield back the remainder of the time on this side.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, I am surprised to hear the gentleman from Texas [Mr. BLANTON] characterize Dr. Doran as "a little underling." I do not think he meant to and certainly he is not justified in characterizing Dr. Doran in that manner. My experience with Dr. Doran has convinced me that he is a very high type of public official, performing his duty in accordance with his oath of office, and enforcing in a reasonable and proper way the laws which devolve upon his Bureau to enforce.

Mr. CELLER. I think the gentleman from Texas said Colonel Woodcock, not Dr. Doran.

Mr. BLANTON. Without reflecting on either, I said they were underlings in that they were not heads of Departments.

Mr. McCORMACK. With reference to this bill, its passage will remove a legislative insult to the great medical profession. That is the outstanding aspect of the bill which appeals to me. Hundreds of thousands of men throughout the Republic, members of an honored profession, trying to render service to the country and to their patients, as a result of the existing law, are limited in prescribing as their sound conscientious judgment and medical discretion dictate. By the passage of this bill we will remove this stigma from the medical profession.

It is hard for me to understand where there is any prohibition question involved in the bill before the House today. It is difficult for me to understand how the distinguished gentleman from Texas [Mr. BLANTON] is going to answer to the members of this honored profession in his district when he tries to keep in the law this limitation, which is nothing more nor less than an insult to the profession. It casts suspicion upon the entire membership of the medical profession throughout the country.

It is true a small percentage will violate the ethics of their profession; it is true a small percentage of the medical profession, like a small percentage of any other profession, calling, or class, will do something they ought not to do, but that is no reason for indicating or casting suspicion upon the entire profession. The unethical or illegal acts of a very small percentage of one of the most honored professions of the world ought not to indict the entire profession; and because this bill removes a legislative insult to a great profession, removes an indictment against the great profession, which indictment has existed for 13 years, I am going to support it. There is no prohibition question involved in this bill; its purpose is to emancipate a great profession from the stigma of suspicion. No matter what their views are on prohibition, Members should support this legislation upon the theory that we are giving back to the medical profession the sound and proper right to exercise their sound medical knowledge. By passing this bill we are removing a law from the statute books of this country, a limitation imposed 13 years ago in the nature of a direct insult to one of the greatest professions of all time.

Mr. BLANTON. Mr. Chairman, will the gentleman yield for a question?

Mr. McCORMACK. Certainly.

Mr. BLANTON. It is not an insult to the physicians of my home city. Every one of them is my friend.

Mr. McCORMACK. That is a matter between the gentleman from Texas and the physicians in his district.

Mr. BLANTON. They are my personal friends.

Mr. McCORMACK. I have no doubt that doctors of the gentleman's district have their own opinions. Of course, I would not ask any doctor in his district to vote against the gentleman because of one vote he may cast here. That would not be fair. A man's general legislative career should be viewed by the people of his district. So I am not trying to send a message to the doctors of the gentleman's district because of the gentleman's position today. They should view his general record and not vote for or against him on account of his stand on one measure. [Applause.] But I do say this limitation constitutes an insult to a great profession. The gentleman from Texas and I honestly differ. It is my opinion that 13 years ago this legislative insult was imposed as the result of the irrationalism that then prevailed with reference to the prohibition question. We are going today to remove it from the statute books and bring back to an honored profession respect and dignity in the exercise of medical judgment and knowledge and remove this legislative insult; and we are removing it as the result of a wave of normal, sane, tolerant rationalism that is running throughout the country today. [Applause.]

This bill is simply another step in the wave of rationalism which is spreading throughout the country on prohibition and related questions. Public opinion has awakened to the realization that prohibition of use is not the method or policy to pursue to regulate or control abuse. Pending the repeal of the eighteenth amendment this bill aims to correct an unreasonable, illogical, unnecessary, and unwise limita-

tion placed upon the practice of an honorable profession. The medical profession for years has advocated the passage of this bill; to obtain legislation to enable patients in need of medicinal liquor to have their physicians prescribe it for them in such quantities as are medically necessary. This bill does away with none of the safeguards against the diversion of medicinal liquor to beverage purposes. It establishes again the right of a physician to prescribe in accordance with known medical principle, not to have the right limited by arbitrary quantitative limits laid down by statute based on no known medical principle. [Applause.]

[Here the gavel fell.]

Mr. CELLER. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. PEYSER].

Mr. PEYSER. Mr. Chairman, referring to the measure before the House, I may say that during the campaign I referred to the statute restricting the issuance of prescriptions for liquor as an insult to the medical profession, as has the gentleman from Massachusetts, who preceded me. I see in this bill a measure which will be in part only an apology for the insult to which they, the medical profession, have been subjected for the past 12 or 13 years.

A phase of the bill that I feel should appeal to any person is that you are putting in as a diagnostician, to determine the need of a prescription, a doctor instead of a governmental department, which is now prescribing instead of the physician, and for the persons it never sees. Who better than the doctor consulted should know the need of a patient? If present limitations are such as not to fill the bill, the patient is forced to resort to cheaper liquor procured in a manner not legitimate. This measure at least will open up the channel through which they may secure the liquor for their necessary needs, liquor of the proper grade, and they no longer will be forced to use the cheap alcohol they have had to use in the past. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. CELLER. Mr. Chairman, at the request of the gentleman from Pennsylvania, the ranking minority member, Mr. KURTZ, I yield 3 minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, I fully realize that the steam-roller is in full functioning order and that this bill and all administration bills will pass. But, my friends, I am amazed that someone here has not come in contact with some of the conditions that previously arose under this system of dealing out hard liquor throughout the United States. As has been said, under this bill you can deal it out in any State, whether it be a prohibition State or a wet State, and in unlimited quantities.

I am not so radically opposed to the use of liquor for medicinal purposes. The fact of the matter is my brother, who was a surgeon in the Army, prescribed whisky for 50 years with efficacy, especially in cases of pneumonia. I had a nephew who served in the World War, and another nephew now practicing medicine. All of them prescribed liquor in certain cases.

Under the provisions of this bill are you really making this medicinal liquor available to the poor people who need it when they are sick and distressed, who need it to fight the after effects of pneumonia?

Why do you not put some regulatory provisions in the bill as to the quality of liquor that these men are going to sell, and also as to the price they are going to charge these poor people? [Applause.] You give here unlimited power to the doctor. You say that they are great men and that you believe in the ethics of their profession and believe that the doctor is beyond such a thing as being a bootlegger. Most of them are, but some of them are not. Why not put a limitation on the power of those who are not beyond doing this and see that the poor, sick people for whom this bill is being sponsored by the Democratic Party get pure liquor and are not outrageously charged \$4.50 a pint for liquor that does not cost 50 cents a gallon to make?

I say with respect to this entire liquor business, Mr. Chairman, that it is not so much a question of the American people wanting to drink rum. I challenge any such state-

ment. The people who want to sell this liquor for a profit are the ones who have brought this about, and must be responsible for failure to provide the regulations I have suggested; that is, limit the quantity, prescribe the quality, and set a reasonable price.

Mr. CELLER. Will the gentleman yield?

Mr. FOCHT. Yes; I yield to all of you at any time.

Mr. CELLER. I understood the gentleman to say that his brother is a physician. Would it not be an insult to say that your brother charges for a prescription? He charges for his services and for his medical advice and not for the prescription.

Mr. FOCHT. The charge is a dollar for the prescription and \$3.50 for the whisky, and we know about the cost of whisky, because they have made enough of it in my district, and there is plenty of it made in the gentleman's district, and the gentleman knows, if he knows anything about it at all, that it does not cost 50 cents a gallon to make liquor. This whole business is to stimulate the sale of rum, and this is going to be the biggest unrestricted wholesaling of poor and high-priced rum ever let loose upon the American people.

As to my brother, he needs no apology. He practiced medicine for 50 years, served as surgeon major in the Spanish-American War, gave a fortune to charity while he lived, willed one away when he died, and left orders that all accounts due him be canceled, which was done. [Applause.]

Mr. CELLER. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, I do not propose to stand here and talk about the merits of this bill, because it is pretty generally known what merit there is to the measure. The only reason I am here is because last year I presented a similar bill and had hearings on it before the Judiciary Committee.

I simply want to call the attention of the committee to the fact that many times it has been said in the House that it is unnecessary to prescribe liquor for medicinal purposes. Allow me to picture for 1 minute the men who work in the coal mines in the district I represent. These men go down into the bowels of the earth and blast off dynamite for the purpose of getting down the coal, and, naturally, the various gases get into their lungs and cause what is called "miner's asthma"; and although I am not familiar with the benefits of liquor in any way, I have been told by doctors there that the only medicine or the only thing worth while to help a man with miner's asthma is the prescribing of liquor, because it will cut the gases and the fumes out of the lungs and make it possible to offset the effects of this terrible disease.

Therefore, I am pleading with the Congress today to pass this bill for the benefit it will be to at least the miners whom I represent in the Scranton district.

Mr. MEAD. Will the gentleman yield?

Mr. BOLAND. I yield.

Mr. MEAD. The gentleman's colleague from Pennsylvania made the argument that this would increase the cost of liquor. Does not the gentleman believe that liberalizing the dispensation of liquor, as we are doing by this bill, will have a tendency to reduce, rather than increase, the cost of liquor?

Mr. BOLAND. There is not any question about it.

I should also like to make the statement that the gentleman referred to has stated that the doctors charge for these prescriptions. I know many doctors in my district who are issuing such prescriptions now and do not charge a cent for them.

Mr. BLANTON. Will the gentleman yield?

Mr. BOLAND. Yes.

Mr. BLANTON. Outside of the cities of Pittsburgh and Philadelphia, is it not a fact that the great Keystone State of Pennsylvania is dry?

Mr. BOLAND. No.

Mr. BLANTON. I mean outside of these two cities.

Mr. BOLAND. No; I will not concede that at all, because the district I represent is the Lackawanna district, and I came down here with all the nominations on two occasions and the only advertisement I had was that I would vote to repeal the eighteenth amendment.

Mr. BLANTON. That was due to the gentleman's personal popularity, and was in spite of his views on this question. The genial disposition of our good friend is so magnetic that naturally all of his constituents like him, and are willing to overlook his stand on a few questions.

Mr. BOLAND. The purpose of this bill is to accomplish three things:

First. Repeal the limitation on the number of prescriptions that may be issued during any certain period of time by any one physician.

Second. Repeal the restrictions on the method of writing prescriptions for liquors of all kinds so that a physician may write a prescription for liquor the same as he would write any other prescription.

Third. Repeal the limitation on the quantity of liquor of any kind that may be prescribed so that the sound discretion of the physician may be exercised in fixing the amount of liquor needed.

Surely a physician should not be restricted in using his best judgment as to whether a certain amount of liquor should be prescribed or not. Allow me to state that the doctors in Pennsylvania are among the highest-type gentlemen that we can boast of, and I rather feel that we can trust our physicians to prescribe what they think is useful; and personally I am in favor of whatever they would recommend.

It has always seemed arbitrary to me to limit the physicians to a certain amount of permits in a certain number of days, and if additional permits were necessary they would have to have the support of the health authorities stating that an epidemic was prevalent. It is plain to be seen that in the case of an emergency the physician might be without prescription blanks for some time before he could get an additional supply.

How embarrassing it must be to the profession to have a doctor go to see a patient whom he can relieve through a certain prescription and for whom he is restricted from prescribing the remedy. I believe today that Congress will relieve this arbitrary condition by passing this much-needed legislation, and I feel very much honored in having some little part in the passing of it.

Mr. CELLER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That (a) the third sentence of section 7 of title II of the National Prohibition Act, as amended, is amended to read as follows: "no more liquor shall be prescribed to any person than is necessary to supply his medicinal needs, and no prescription shall be refilled. No person shall by any statement or representation that he knows is false, or could by reasonable diligence ascertain to be false, induce any physician to prescribe liquor for medicinal use (1) when there is no medicinal need for such liquor or (2) in excess of the amount of medicinal liquor needed."

(b) Section 7 of title II of such act, as amended, is further amended by inserting before the period at the end thereof a semicolon and the following: "but no physician shall be called upon to file any statement of such ailment in the Department of Justice or the Department of the Treasury or in any other office of the Government, or to keep his records in such a way as to lead to the disclosure of any such ailment, except as he may be lawfully required (1) to make such disclosure in any court in the course of a hearing under authority of section 9, title II, of this act, or (2) to make such disclosure to any duly qualified person engaged in the execution or enforcement of this act or any act supplementary hereto."

Mr. BLANTON. Mr. Chairman, I submit the preferential motion that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The Clerk read as follows:

Mr. BLANTON moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. BLANTON. Mr. Chairman, I realize that this is a futile motion. I make it just for one purpose. I simply want to get a rising vote on a division to see how many men still in the House of Representatives will vote to kill this kind of bill. This is my sole purpose.

My friend the gentleman from New York [Mr. CELLER] spoke of this being a recommendation of the Wickersham Commission. I want to remind you again that that great Wickersham Commission was composed of 11 men and women, and 10 out of the 11 over their own signatures signed certain conclusions and recommendations. They were signed by 10 out of the 11 members, everyone signing them except Mr. Monte Lehman.

The first four conclusions signed over their 10 signatures were:

No. 1. The Commission is opposed to repeal of the eighteenth amendment.

No. 2. The Commission is opposed to a restoration in any manner to the legalized saloon.

No. 3. The Commission is opposed to the Federal or State Governments, as such, going into the liquor business.

No. 4. The Commission is opposed to the proposal to modify the National Prohibition Act so as to permit manufacture and sale of light wines and beer.

If he is going to follow the Wickersham Commission, why does not he follow it?—he has been voting against the recommendations of the Wickersham Commission ever since they have been made public.

I am assured by many good citizens in Pennsylvania that outside of Pittsburgh and Philadelphia, the great Keystone State of Pennsylvania stands against the repeal of the eighteenth amendment, and stands against beer and light wines, and they are going to make a fight in that great State that will shake it to its foundations before they get through.

Mr. BOLAND. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. BOLAND. I wish to state that when the convention is in session the gentleman will find out that his prediction is entirely without foundation.

Mr. BLANTON. Oh, possibly, because they have some of the biggest and slickest political machines in both Pittsburgh and Philadelphia you ever dreamed of. They have machines there that will thwart the will of the people. They have been thwarting the will of the people for many years. I have been assured that they have a law-and-order league there and that they are going to look after elections hereafter.

I know that my good friend from Pennsylvania [Mr. BOLAND] is very popular, and a valuable Representative, and that he came here notwithstanding his wet views. His friends elect him without regard to his vote on the liquor question.

I want to say this in closing. You will pass this bill with only a handful of votes, comparatively, against it. There will be only a handful of votes in favor of my motion to strike out the enacting clause. But there is going to be a dry fight in this country that eventually will win, as sure as you are listening to my voice. There is going to be a reaction. [Applause.]

The CHAIRMAN. The question is on the motion of the gentleman from Texas to strike out the enacting clause.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 17 ayes and 86 noes.

So the motion was rejected.

The Clerk completed the reading of the bill.

The CHAIRMAN. Under the rule, the Committee will now rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GOLDSBOROUGH, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee had had under consideration the bill S. 562, an act relating to prescribing of medicinal liquors, and, under House Resolution 86, he reported the same back to the House without amendment.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill. The question was taken; and on a division (demanded by Mr. BLANTON) there were 153 ayes and 59 noes.

So the bill was passed.

On motion of Mr. CELLER, a motion to reconsider the vote whereby the bill was passed was laid on the table.

A similar House bill was laid on the table.

AUTHORITY OF SPEAKER TO SIGN ENROLLED BILLS

Mr. BYRNS. Mr. Speaker, I offer the following resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 89

Resolved, That the Speaker be, and he hereby is, authorized to sign the enrolled bills of the Senate, S. 562 and S. 598, notwithstanding the adjournment or recess of the House.

The resolution was agreed to.

ADJOURNMENT OVER UNTIL MONDAY

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next, April 3, 1933.

The SPEAKER. Is there objection?

There was no objection.

RELIEF WORK IN CALIFORNIA

Mr. KRAMER. Mr. Speaker, I offer the following resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 90

Resolved, That Congress in session extends to the Red Cross, the Army, Navy, and Marine Corps, regular and special officers, ex-service men, and civilians its sincere appreciation for the splendid relief work done by all these agencies during and after the recent tragic earthquake in California; be it further

Resolved, That copies of this resolution be sent by the Clerk of the House to the mayors of each of the cities of southern California, to the heads of the organizations involved, and to the Young Democratic Clubs of California, whose members rendered such valuable services individually and in coordinating the work of all volunteer relief agencies.

Mr. SNELL. Mr. Speaker, I did not quite get the full purport of the resolution, but it seems to me that such a resolution is entirely against the precedents of the House. I do not know how far we have gone in these matters, but I think such a resolution should first go to a committee.

Mr. CLARKE of New York. Have we not already expressed our thanks by permitting the Reconstruction Finance Corporation to loan the people out there \$5,000,000? It seems to me that this is a lot of political bunk.

Mr. SNELL. I think the resolution should be looked over very carefully to see how far we go in it. I think it is a mistake to offer a resolution of that kind from the House without consideration by a committee.

Mr. KRAMER. Mr. Speaker, I withdraw the resolution for the time being.

LEAVE TO ADDRESS THE HOUSE

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes on the subject of the Territory of Alaska and its development.

The SPEAKER. The Delegate from Alaska asks unanimous consent to address the House for 10 minutes. Is there objection?

There was no objection.

Mr. DIMOND. Mr. Speaker, today is the sixty-sixth birthday of the Territory of Alaska as a part of the United States. The history of Alaska goes back a long time, but only in the year 1867 was this great, this vast territory annexed to the United States by a treaty with Russia. On the evening of the 29th of March 1867 the then Secretary of State, Mr. Seward, was sitting in his house, situated down where the Belasco Theater now stands, playing whist. During the evening the Russian Ambassador was announced. He said to Secretary Seward:

Mr. Secretary, I shall come to the State Department, and we can then draw up the treaty and sign it.

Secretary Seward said:

Why wait until tomorrow. Let's make the treaty tonight.

The secretaries were called in, together with the experts, and they drew the treaty, and at 4 o'clock on the morning of March 30, 1867, the treaty was signed and the Government of the United States obligated itself to pay \$7,200,000 to the Government of Russia for this Territory of Alaska, and Alaska became part of the United States. The treaty was denounced, the Secretary of State was denounced, because it was said that we would never get \$7,200,000 out of Alaska, that it was not there, that it was simply an ice box. Some people said that it was like buying the North Pole. However, in spite of all the objections the Senate confirmed the treaty, and the money was paid.

What do we now find? Mr. Speaker, within the last 66 years the Territory of Alaska has produced appreciable wealth for the United States Government, so that the original purchase price, when compared with the wealth poured out of Alaska, seems like a drop in the bucket.

We have produced in these 66 years furs of the value of approximately \$120,000,000. We have produced in gold \$410,000,000 and upward during that time, and that is very important in this time of stress, when the burning question in the minds of the members of this body and of the Senate and of the administration is the currency. And in that connection let me say this: There is now in sight, using a mining engineer's term, in the Territory of Alaska, and there will be produced with the next 40 years, and possibly within the next 20 years, another \$410,000,000 of gold to go into the currency system of the country and to help us get out of this depression.

We have produced in other metals \$240,000,000, mostly in copper. One mine alone, up on the mountainside at Kennicott, has poured out this red metal to the value of almost \$200,000,000.

Now we come to the most important industry of Alaska and the most important product that comes out of Alaska; that is, fish, principally salmon. I would not be far wrong if I said the value of the fish exported to the United States from Alaska is very close to \$1,000,000,000 since 1866. Putting it in round numbers, the total is \$930,000,000. In a couple of years more, with normal prices for fish products, it will be close to a billion dollars.

In connection with the fisheries industry there is one thing I should like to bring to the attention of this House, and that is that the industry is threatened with extinction. It is threatened with bankruptcy by the depreciated currencies of foreign countries, particularly that of Japan.

The cost of putting up a case of fish in the Territory of Alaska will run between \$2.50 and \$6, dependent upon the location and dependent upon the quality and kind of the fish. The Japanese, with a 60-percent-depreciated currency, can take fish from the Soviet Government, can take their own fish, and put it on the market and get \$2 a case for it, and when they bring the money home to Japan it is around \$4.50, when they translate the gold into their own currency. Therefore they can undersell, and they have undersold, the American producer. The thing has just started. Unless something is done to remedy the situation with respect to Alaska, unless such a bill as the Hill bill is passed, I fear that next year the fishing industry in Alaska will be out of the picture. If anybody does try to operate he will be bankrupt, because the market is broken under them. That, of course, affects not only the people of Alaska, it affects not only the men engaged in the fishing industry, but it affects many people on both coasts and in the interior of the country.

I read an article not long ago about Texas. I have ridden across that great State. Of course I became a little wearied at times, but it is a great State. It is great in area. It is great in population. It is great in the genius of its people, and it is great in wealth; but in area I heard it compared once to one of the big Texas steers, and the lady who made

Mr. Secretary, I am authorized by my Government to comply with the terms of sale by my Government to the Government of the United States of Russian America. Tomorrow, if it suits you,

the comparison said you can imagine a steer with his fore feet in the Mississippi River, his hind feet between the Cascades and the Rockies, taking a drink out of the Atlantic Ocean, and his tail swishing the tall trees that border the Pacific coast; yet, after all, in size, great as it is, Texas is only a pigmy compared to Alaska. We do not have in Alaska all the glaciers that it was said covered the entire peninsula in Seward's time. When New York and New England were covered by glaciers in the last glacial age, when all the country to the north, and as far as we know, to the North Pole, was buried in ice, there was one place that was not buried in ice, and that was the lower valley of the Yukon River. There was no ice there. The climate was such that the ice would not form there.

Therefore in Alaska we find great mountains, we find a glacier a hundred miles long; but we find valleys hundreds of miles long. We find vast farm lands. We find wheat growing where people have taken the trouble to plow the ground and plant it. We can grow any garden vegetable in Alaska that can be grown in the northern tier of States of the United States. We can grow wheat and oats without any difficulty. The only trouble is that in these times there is too much of those things, and, therefore, what use to try to grow it in Alaska and export it to the United States when the farmers of Nebraska, Illinois, and Kansas are almost starving because they cannot get a fair price for their products? So far as the Territory is concerned, Alaska has not only great possibilities, it has not only great promise, but it has the assurance of the future, when people will go there, when they can go there under proper conditions, when they can develop not only its mineral resources but its agricultural resources.

I do not want to boast, but we do not pride ourselves alone any more than do the people of other States about our vast area, about our climate, and our products; but we pride ourselves to some extent, Mr. Speaker, upon the spirit of the people; upon the character of the population that has gone to Alaska and that lived in Alaska when the white man came there.

The SPEAKER. The time of the Delegate from Alaska has expired.

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. BANKHEAD]?

There was no objection.

Mr. DIMOND. I am reminded here of a thing that I read when I was a boy. I think it was written by Ruskin. He said:

I trust that in the times to come England will cast all thoughts of possessive wealth back to the barbarous nations among which they rose, and while the sands of the Indus and the adamant of the Golconda yet glisten to the housings of the charger and flash from the turban of the slave, England will lead forth her sons and say, "These are my jewels."

So, Mr. Speaker, I would say for Alaska that while the sands of the Indus and the adamant of Golconda yet glisten to the housings of the charger and flash from the turban of the slave, while men in other places outside of our own country are consumed only with a burning desire to pile up more of this world's wealth, that they must leave in the end, Alaska will, I trust, lead forth her sons and say, "These are my principal jewels."

Mr. Speaker, there is one great project I hope during my lifetime to see accomplished for the Territory of Alaska to aid in its material and spiritual development. We all know that at the very foundation of any civilized life lie means of ready travel. There have been some great dreams, and I hope you will not call me a dreamer although it may be that I am, and if so, I am not ashamed of it, because if we go back in our own history or in the history of this country, all great things that were worth while, all great things that led to the colonization and development of the country, came from dreams in the minds of men. Therefore the man who confers the greatest benefit upon his fellowmen is he who can dream wisely, he who has vision, and he who can make his dreams come true. I have had

a dream—not I first, but others have had it, too, and before I leave Congress I shall ask you to help make this dream come true—and that is the building of a highway from the United States to Alaska.

The gentleman from Colorado has been to Alaska, and I know he will understand the need, because he sympathizes with the aspirations of the people of Alaska; but unless you have been in Alaska you cannot imagine what a benefit and boon it would be to our people and the people of the United States to have a highway starting in the United States—in the State of Washington, I suppose—and running north through British Columbia and the Yukon territory into the Territory of Alaska. Then we would see people come in there; then it would be easy for them to come; and in these tough times, Mr. Speaker, it is very important to have a ready means and a cheap means of access to any territory if it is to be developed.

I was struck with one thing in the President's inaugural message. Without pretending to quote it exactly, the President said, "Where there is no vision the people perish." We of Alaska hope this vision can be made to come true.

Mr. Speaker, if there is one project more than another that ought to stir the imaginations of the American people and appeal at once to their desire for the betterment of economic conditions and to the love of adventure traditional in the race, it is the project of building a highway from the United States through the Dominion of Canada to Alaska. Of course, it is already built far up into British Columbia, but there remains to be constructed a considerable portion of it through northern British Columbia, through the Yukon territory, and into Alaska to connect with the internal road system of Alaska. After all, we know by experience and by history that all great things of this nature have been the accomplishment of men of broad vision, of far-reaching mental grasp; men who dreamed greatly and who made their dreams come true. This can be said of those who crossed the Appalachian Mountains, who settled the Mississippi Valley, who built the great transcontinental railroads, and who discovered and developed Alaska. This spirit was manifested in the building of the Alaska Railroad. But one thing further at this time is particularly needed, and that is a great highway open to all direct from the United States to Alaska.

The father of this idea in the Territory of Alaska, a man who has spent his waking and, I almost believe, his sleeping moments in promoting it, is my friend, Donald MacDonald, of Fairbanks. He has recently prepared a statement of the benefits of the road, and transmitted this statement to the Territorial legislature with the suggestion that it be incorporated in a legislative memorial urging the construction of the road. Mr. MacDonald suggests the following:

First. Expanding frontier markets have been a chief factor in the continuing prosperity of North America. Only in Alaska and the Canadian north does the opportunity for the development of such a market exist at present. In this connection it is worthy of note that the per capita consumption of goods is greater in Alaska than in any other country in the world.

Second. In all previous periods of depression an increase in gold production has helped materially to provide the stimulus which restored normal conditions. A mineral zone, highly auriferous, parallels the route of the proposed highway throughout British Columbia, Yukon territory, and Alaska, and this zone only awaits transportation to become productive. Alaska at the present time produces approximately \$150 in gold per annum for every man, woman, and child in the Territory. There are 400,000 acres of known gold-bearing gravels and quartz within the Territory of Alaska alone.

Third. The situation of the unemployed in all previous depressions has been relieved by the natural employment furnished by free land and free natural opportunity in connection with the land and the development thereof. The proposed Pacific-Yukon highway, or, as it is frequently called, the "International Highway", renders accessible a vast region of free opportunity.

Fourth. Disturbed, turbulent conditions exist in the Far East, the consequences of which no man can foresee. Alaska is in a highly critical and strategic position as an air base and thus the proposed projection of the Pacific-Yukon highway and airway is of transcendent importance. The "ribbon" of the highway not only furnishes an accurate guide; its series of connected air fields that will be built along it will not only be essential in the development of aerial traffic, but in the event of an emergency, the speed of surface transport—cutting the travel time in half between the supply depots of the United States and Alaska—may well be a deciding factor.

Fifth. This project will afford an immediate stimulus to the greatest producing and manufacturing interests of North America, the automotive, gas, oil, rubber, and accessory business, which exert very great economic influence. This is evidenced not only by the appeal of the mineral and agricultural resources of an undeveloped country, but by the stirring attraction of those resources of scenery and game. The highway stretches north through the last frontier to the Land of the Midnight Sun, passing back of the greatest mountain ranges on the North American Continent, peak after peak of transcendent beauty, tremendous glaciers still grinding out the Creator's work, smoking volcanoes still attesting that this is literally a land in the making; the game everywhere existing in its primitive abundance; caribou, moose, and sheep by the uncounted thousands; myriads of lakes that are full of fish and have never known the touch of an artificial lure—all this would stir the minds of the adventurous and mobile population of the United States. Not only would the Alaskan problem be solved by bringing such a market to the country, but a great stimulus would be given the interests aforementioned.

Sixth. As early as 1907, E. H. Harriman, the American financier, proposed the construction of the Trans-Alaska-Siberian Railway Co., which contemplated the construction of a railroad through Canada, Alaska, and Siberia, with a tunnel under the Bering Strait. The justly famous J. A. L. Waddell, originator of the modern steel railway bridge, was chief engineer. This project was defeated not because of the lack of economic resource but because of international complications. It is submitted that there are many times the reasons for such a project now than there were at that early date. It is further submitted that the evolution of automotive traffic will continue. It is probable that in 10 years such transportation means will be as economically efficient as a railroad and that for a fraction of the expense such high form of transportation will result over the proposed highway. It is not to be forgotten that the international highway and airway contemplates the ultimate development of a world's highway.

Seventh. The total cost of this projected enterprise has been carefully estimated from reliable data to be \$14,000,000. Of its total length of 2,000 miles, more than half is already built. Of this unconstructed length, less than 200 miles lie in Alaska. It is also apparent that Alaska would benefit out of all proportion to the length of line within her boundaries. It is also apparent that the financial requirement, when all the potentialities of the project are considered, does not constitute an obstacle. The obstacle arises in the distribution of the costs. The greatest length of line lies within the boundaries of the weakest member in point of financial resource.

I rely upon Mr. MacDonald's statement, for he has made an intensive study of the whole project. The construction of this highway would dovetail with the present plans of the administration for the relief of unemployment in Alaska and elsewhere by great public works. The building of this road would be the same sort of step for the development of our last great frontier empire as the building of the transcontinental railroads was for the development of the great regions west of the Mississippi River. The President has truly said: "Without vision the people perish." The building of the Pacific-Yukon Highway is a great vision. The opportunity is at hand to make this vision come true.

Sixty-six years ago Secretary Seward said: "Why wait until tomorrow? Let us make the treaty tonight." So today I may properly say: "Why wait until next year, or the next decade, or the next century? Let us go now."

Mr. GILCHRIST. Mr. Speaker, will the gentleman yield?

Mr. DIMOND. Certainly.

Mr. GILCHRIST. Can the gentleman tell us something about the economic condition of the Indians of Alaska?

Mr. DIMOND. Yes.

Mr. GILCHRIST. I should like to know the gentleman's opinion and views upon this subject, either now or by way of an extension of remarks in the RECORD.

Mr. DIMOND. I have not got it in written form, Mr. Speaker. Mr. Speaker, I ask unanimous consent to at this point revise and extend my remarks, and I shall include therein an answer to the gentleman's question.

The SPEAKER. Is there objection to the request of the Delegate from Alaska?

There was no objection.

[Here the gavel fell.]

Mr. GILCHRIST. Mr. Speaker, I ask that the gentleman's time be extended 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. DIMOND. I am glad to answer the question of the gentleman from Iowa, because the condition of the Indians in Alaska at the present time is very pitiable in spite of the efforts of the people of the Territory with their limited funds and in the face of the depression to relieve the conditions.

The condition has been getting worse and worse; and this ties up, Mr. Speaker, with the matter to which I adverted a moment ago. The fishing industry in Alaska is in a bad way, partly, of course, on account of the depression, but largely, I may say, on account of the threat of depreciated currencies of other countries.

If the Indian is to make a living, it must be in the fishing industry. The majority of them earn their bread and butter in this industry. There is no other possible avenue open to them. It is true they can catch fish and live on a straight fish diet. I have lived in Alaska for many years. I have done almost every kind of labor there, including prospecting. I have lived on a straight fish diet for days—yes; for weeks—but it is not a very palatable diet. We have educated the Indians to the extent that they do not like to have a straight fish diet day after day and month after month. The only thing they can do is to find employment in the fishing industry, and employment is not available to the extent it should be. It is not available, Mr. Speaker, because the fishing companies, driven by this terrible competition, have brought into the Territory of Alaska many thousands of orientals to fill jobs that might be filled by the local inhabitants; yet there is nothing we in Alaska can do about it. In spite of this, nearly every packer, with two exceptions known to me, every salmon packer in Alaska lost money last year, lost it on account of low prices, and these low prices are partly caused by the depreciated foreign currencies. The Indians cannot find employment.

I received a heartbreaking telegram the other day from Kodiak. I know those villages down along Kodiak Island. Bancroft says that at one time Kodiak Island had 5,000 inhabitants, before the Russians came there. I do not believe there are 1,000 there now. I am informed by an honorable, upright man, Mr. W. J. Erskine, that their condition is pitiable.

I have gone to the Bureau of Indian Affairs but they inform me they have no funds, and I know the little funds appropriated for this purpose are exhausted.

Mr. WOODRUFF. Mr. Speaker, will the gentleman yield?

Mr. DIMOND. Certainly.

Mr. WOODRUFF. Can the gentleman give the House any specific information as to the present economic condition of the Metlakatians?

Mr. DIMOND. I will in just a moment. No appropriations are available. Alaska, of course, is hard up. Eighty-

one percent of our taxes come from the fishing industry, and the fishing industry is in terrible shape. We have no resources left to tax. The people are not wealthy, as is shown by the picture I have given you.

The wealth of Alaska has been poured into the United States. We find that there has come out of Alaska, been exported from Alaska, wealth to the value of \$1,700,000,000 since 1886, and there has gone back into Alaska from the United States, which has been of great benefit to the United States because it provided a market for the industries of the United States, merchandise to the value of \$900,000,000.

Mr. Speaker, it would take too long to go into this question of the Alaskan Indians. I have taken the matter up with the Bureau of Indian Affairs. It was considered this morning by the Committee on Indian Affairs of this House, and I now urge that a committee of this House or of the Congress be sent to Alaska this coming summer to study the entire situation with respect to the Indians in Alaska, and this program will tie up with the fishing industry. But I am deeply interested in the welfare of the native population of Alaska. They are my constituents. More than that they are my friends, and many of them are in desperate economic plight. The Territory is not able to take care of them all. They need help, they need it badly, and they need it without delay. I should like to take time here to paint for you the entire picture, but I know that you cannot give it to me now. I, therefore, urge with all the force at my command that a committee of this House or of the Congress be sent to Alaska this summer to study the situation and report back here so that at the coming regular session Congress will be in position to pass upon the legislation which I shall present for the relief of the native inhabitants of Alaska—indeed, Mr. Speaker, for the relief of all of the residents of Alaska. This will not be a pleasure jaunt for the committee. It will mean discomfort; it will mean hard work; but the results are certain to be of great service to Alaska. And more, Mr. Speaker, it will result in real economy, not only in money but in the lives and happiness of the great people of this great Territory.

I shall be very glad to write this whole thing out and present it either upon the floor or to the gentleman who inquired about it.

Now, to answer the other question with respect to the Metlakatla Indians, I think they are probably better off economically than any other Indians in Alaska, and I shall tell the gentleman why. A great reservation has been made for them, and they have been given this island. The island was taken away from other Indians and given to the Metlakatlans, who come from British Columbia. I am not criticizing the Government of the United States for doing this. The thing has been done, and I am glad to see the Metlakatlans there, and I am glad to say they are intelligent and self-respecting and industrious and are making a home for themselves; but if they were subject to unlimited competition, they could not survive. They would be in just the same condition as the other Indians in Alaska, because the Indians in Alaska cannot any more survive the fierce competition than the Indians in the United States.

[Here the gavel fell.]

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 2 additional minutes, because I should like to inquire further in regard to the Metlakatla Indians.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOODRUFF. Is it the gentleman's opinion that the fisheries on the island of the Metlakatlans, which I presume belong to the Indians themselves because of the fact that they own the island—

Mr. DIMOND. They belong to the United States, but the Indians have exclusive use of everything.

Mr. WOODRUFF. And that includes the fisheries, does it not?

Mr. DIMOND. Yes.

LXXVII—67

Mr. WOODRUFF. Is it the gentleman's opinion that the contracts that the Government has entered into in the years gone by with outsiders to carry on the fishing industry have been for the best interests of the Indians themselves?

Mr. DIMOND. I can only answer that, Mr. Speaker, by saying that I have never heard any complaint from the Metlakatla Indians. I had an opportunity to hear any complaints, because before coming down here I served for quite a number of years in the upper house of the Alaska Legislature, and if any serious complaint had been made I believe it would have come, sooner or later, to the attention of the legislature. Since coming to Washington one man, who forbade my using his name, said something about contracts—past, present, or future—and expressed some dissatisfaction, but since he would not let me use his name and would not let me do anything about it, it is like these anonymous letters that come to us. We cannot pay much attention to them. I have never made any investigation, but I spent some little time at Metlakatla during the last campaign—not very much time, only being there one evening—and no complaint was made to me by anybody there, either officials in the Indian community or others, with relation to the contracts.

Since I have started to speak I do recall now, because it has come to my memory in the last second, that a good many years ago—

[Here the gavel fell.]

Mr. BRIGGS. Mr. Speaker, I ask unanimous consent that the gentleman may have 5 minutes more.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DIMOND. I heard a good many years ago there was some dissatisfaction, but it is so vague and dim in my mind that I cannot recall precisely what it was. I know it was very ancient, indeed, because I have heard nothing since at least 1923, that being the year I first entered the legislature.

Mr. BRIGGS. Will the gentleman yield for a question?

Mr. DIMOND. Certainly.

Mr. BRIGGS. Has there been any increase in the settlement of Alaska in the last few years?

Mr. DIMOND. Yes.

Mr. BRIGGS. Has there been any tendency toward an increase, so far as the gentleman knows, in the settlement throughout this great area, where I believe the population statistics show there are perhaps less than 75,000 people, including both whites and Indians, in an area of over 500,000 square miles?

Mr. DIMOND. The area is 589,000 square miles, and the population of Alaska between 1920 and 1930, according to the census, increased 7.7 percent.

I want to explain one thing to the gentleman and to the House. The thing that put Alaska definitely upon the back trail with relation to population was the Great War. Alaska, necessarily, as any frontier country would be, was populated by single men, most of them being adventurers, more or less. They were men who went into the hills, and when the call to arms came, of course, they enlisted. Alaska did not get credit for many of them. Many of them would not enlist in Alaska, because it meant they could not get to France fast enough. Some of them went to Maryland to enlist, because there was a camp there, while others went to Long Island, N.Y. Most of them went out of Alaska, and they went out by the thousands. According to the records we have, Alaska furnished a greater proportion of its population to the American military and naval forces than any State, and, of course, this is to be expected, considering the character of the population. And remember that they would not take many Indians, although they are counted in the population. An arbitrary order was issued that no Indian could be taken, although many of them tried to enlist, and some succeeded. They were as patriotic as any of the people.

When these men got to France, and most of them did get to France, their minds were changed about many things. They had seen a new field of adventure, and I think I am

correct in saying that not over one fourth of them came back to the Territory of Alaska.

My own opinion is that the increase in the population of Alaska for the last decade, between 1920 and 1930, is due largely to the increase of births over deaths.

Mr. RANKIN. Is it not a fact that when the young men did come back they found the canning industry had reserved all the fishing grounds and they had to go somewhere else?

Mr. DIMOND. That is probably true in some cases.

Mr. RANKIN. I know it is true in some. We had up a case where two young men enlisted, laid aside their fishing tackle, and went to war, and when they came back they found that the waters in which they had been fishing had been allotted to one canning company that had been prosecuted for selling decayed or spoiled salmon to the Government during the war for our soldiers, and these two young men were forced to go elsewhere to make a living.

Mr. DIMOND. I have not any particular knowledge of the instance to which the gentleman from Mississippi refers. I think, however, it probably arose under some orders creating fishing reservations, made when Mr. Hoover was Secretary of Commerce. It is true at that time reservations were created in the waters of Alaska. They were parceled out, distributed among the cannery companies, and all others were excluded from these reservations.

But that did not last long. The reservations were abolished.

Mr. RANKIN. The law was changed, but the regulations were not materially changed. Is it not a fact that the same discrimination prevails as before?

[Here the gavel fell.]

Mr. RANKIN. I ask unanimous consent that the gentleman may have 5 minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Is it not a fact that in Alaskan waters today the same discriminations are in force that were in force when Mr. Hoover was Secretary of Commerce?

Mr. DIMOND. I want to answer the gentleman's question by going a little further than he has gone. I think in some respects the regulations are worse.

Mr. RANKIN. I agree with the gentleman.

Mr. DIMOND. There are fishing traps used, and I want to say that that is one of the reasons for the bad economic conditions of the Indians and others. These conditions are partly caused by the unrestricted use of these fishtraps. I have no doubt the honorable Commissioner of Fisheries will say that the use of traps is not unrestricted. Technically that is true, but practically it is not true, because the seiners under the regulations cannot compete with the fishtraps, and the cannery will not take fish from the seines when they can get fish from the traps cheaper.

I am opposed to the unrestricted operation of the fishtraps in the waters of Alaska, and I am going to try and have this administration change it.

Mr. RANKIN. Will the gentleman yield further?

Mr. DIMOND. I yield gladly.

Mr. RANKIN. The gentleman from Alaska has put his finger on the trouble. In my opinion, the use of these traps not only excludes the Indians from the use of these streams that their fathers have had the use of for thousands of years but they are responsible for the very conditions he has described in the falling off in population.

Is it not a fact that if we had in force in Alaska the same fishing regulations they have in British Columbia, the traps would be removed and the individual would be permitted to earn his living by fishing as they do everywhere else in the world except in Alaska, and that the Indians would be taken care of and the white population of Alaska would considerably increase, and that many people would go there to make it their permanent home?

Mr. DIMOND. Answering the gentleman, I would say that I concur in his views. I am not intimately familiar in every detail with the fishing regulations in force in the waters of British Columbia; but from the knowledge that I

have of them I think they are much better in the interest of the local population than are the fishing regulations that now are, and for some years past have been, in effect with respect to the waters of Alaska.

Mr. PARSONS. Mr. Speaker, will the gentleman yield?

Mr. DIMOND. Yes.

Mr. PARSONS. What is the gentleman's opinion with reference to the future production of the fisheries in those waters if the same regulations are followed there as have been the last 10 years? Will the fisheries not be destroyed?

Mr. DIMOND. I am not able to say that. The production of fish in the waters of Alaska has not varied greatly in the last 10 years. Occasionally the pack runs up as high as 6,000,000 cases, and sometimes down as low as 4,000,000 cases. I have not the exact figures at hand. Last year I think was an average yield—and I am speaking now solely of salmon—when the total product was somewhere around 5,000,000 cases. I think the regulations are such as not to imperil the future of the fisheries in Alaska. I am not complaining of the regulations on that account, though there may be some places where the regulations ought to be changed, but I do not claim to be an expert on that particular point. I want to answer the gentleman further by saying there is a cure for all this.

Give the Alaska Legislature the power to legislate with respect to the fisheries of Alaska, and we will take care of it up there ourselves. We do not need any help down here to make laws and regulations concerning fisheries, and I say that with the utmost deference to the Members of this body who have been so kind and sympathetic to me and to my predecessors.

The SPEAKER. The time of the gentleman from Alaska has again expired.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that his time be extended for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. DIMOND. It is almost impossible to put the situation before the Members of this body and of the other House and before the administration so that it can be fully understood. The trouble lies in trying to show you the exact picture. I only hope that a committee can go up to Alaska this summer and study the fishing industry. I also think they should look into the condition of affairs in respect to the Indians. This putting the power in the hands of the legislature is almost a religion with me—it is a political religion—for I believe in home rule. The people up there are just as honorable and honest and intelligent as the people of any other place, including the Indians. Give the Alaska Legislature the power to legislate with respect to the fisheries of Alaska, and they will take care of them, and they will settle the difficulties of the local population and at the same time protect the industry, because they have got to protect it. Congress will still have supervisory power over the legislation of Alaska; and if it thinks that any law passed by the Alaska Legislature is foolish or confiscatory, it can be changed by Congress.

Mr. EDMONDS. Mr. Speaker, will the gentleman yield?

Mr. DIMOND. I yield.

Mr. EDMONDS. Has the gentleman taken any action at all in regard to Japanese competition?

Mr. DIMOND. I have not, except to discuss it with quite a number of Members in this body. I particularly took up the matter and discussed it with Representative HILL, the gentleman from Washington, the author of the bill, and he suggested that I see the Secretary of State and the President. I do not know whether I can see the Secretary of State and the President or not. They may not have time to talk to me about the matter. However, it is vital to the fisheries of Alaska, and it is also vital to the fisheries of Washington and of Oregon and of California; and if something is not done to correct the situation, you are going to see the salmon-packing industry wiped out.

Mr. EDMONDS. I received a letter from California in which it is stated that 350,000 people are out of work now because of the encouragement given to Japanese canned

goods coming into this country. I am wondering whether the provisions of the tariff bill which allow the President to declare an embargo have ever been tried.

Mr. DIMOND. I was informed here by somebody that the provisions of the tariff bill would not apply. I do not know. I know little about the tariff.

Mr. EDMONDS. I think a little study of the section of the tariff bill would show that the President has a right, if undue competition is exhibited, to declare an embargo if he so desires, and that would give 350,000 people work on the Pacific coast.

Mr. DIMOND. One reason I did not pursue that proposition is because I knew the Representatives in this body and in the Senate from Washington and Oregon and California were undoubtedly working on it, and they have much more power than I can hope to possess. If they, with their influence and experience and votes, could not persuade this House and the other House to pass some remedial legislation, I do not know how the Delegate from Alaska could do it. I do not know how the Delegate from Alaska could ever be able to persuade the President it was necessary to be done.

Mr. EDMONDS. We would not have to spend any money in reforestation in Alaska or on that coast if you could get your canned-goods people back to work.

Mr. RANKIN. Will the gentleman yield?

Mr. DIMOND. Surely.

Mr. RANKIN. The tariff is one thing that has wrecked the country now. The provision which the gentleman from Pennsylvania referred to might help the canning industry a little, but it would not do any good to the working people of Alaska.

The gentleman from Alaska [Mr. DIMOND] is trying to do something for the people who are entitled to work in those fisheries trying to make a living. Now, with reference to his proposition to turn this over to the Territory of Alaska, I may say I am more or less in sympathy with that proposition. As I understand it, the United States Government gets no revenue from those fisheries, except from income and inheritance taxes. That is right, is it not?

Mr. DIMOND. That is correct.

Mr. RANKIN. Then it would take no revenue from the United States Government to give the Territory of Alaska complete control over the fisheries, or approximately complete control. Is that correct?

Mr. DIMOND. That is correct.

Mr. RANKIN. Now, I want to ask the gentleman this question: This is one thing that to me is important. All up and down those streams I get complaints almost every month from the Indians saying that they are driven from the fishing grounds and that many of them are on starvation because they are denied an opportunity to fish for a living in the very waters that their people have fished in for hundreds of years. If this power were turned over to the Territory of Alaska, I want to know what assurance we would have that those Indians would be taken care of and their ancient fishing rights restored to them and protected?

Mr. DIMOND. Mr. Speaker, nobody can give any legally enforceable assurance to the gentleman or to this body. You must rely upon the good sense and patriotism of the people of Alaska, and you must rely upon their selfishness, because enlightened selfishness alone will impel them to take care of the Indians. If you want to go into the political sphere, the Indians are all citizens and nearly all of them are entitled to vote. The Indians are in the majority in population. So if they are not treated fairly by the people of Alaska, you will have another legislature, and there will be some changes whereby the Indians will be treated fairly. But the trouble is not in Alaska. The trouble is not in the non-Indian population of Alaska. I have never seen any substantial disposition on the part of any of the people of Alaska to deal unfairly with the Indians. It is true there are some exceptions. There are some people who are prejudiced. There are some who simply hate the natives. They absolutely hate and despise them. They do not want to have anything to do with them. But that is not the

sentiment on the part of the people generally. The people of Alaska are fair; they are generous.

Mr. BLANCHARD. Will the gentleman yield?

Mr. DIMOND. I yield.

Mr. BLANCHARD. Just as a matter of information, may I ask in whom the control of the fisheries is now vested? Is it entirely a departmental matter?

Mr. DIMOND. It is entirely a departmental matter, and it is in the Bureau of Fisheries. The present head of the Fisheries Bureau is Mr. Henry O'Malley, and he has been the head of it during the last administration and for some time before that, I think.

Mr. ROGERS of Oklahoma. Will the gentleman yield?

Mr. DIMOND. I yield.

Mr. ROGERS of Oklahoma. Who is it that owns and operates these concerns? Are they local people or are they from other countries, using the traps and bleeding the people, not only the Indians but the poor white people also?

Mr. DIMOND. The canneries are owned by various people. Mostly they are corporations, the stockholders of which live outside of Alaska.

Mr. ROGERS of Oklahoma. And the traps are owned by the canneries?

Mr. DIMOND. Not all of them. Most of them are. Some of them are owned by independent people. This may be of interest: In 1929 I introduced a memorial in the legislature. That is about all we could do with respect to the fisheries in the Alaskan Legislature—memorialize Congress. I introduced a memorial to limit each cannery to two traps for every line of machinery operated. I do not have time to explain what a line of machinery is, but this memorial, if followed, would have cut out more than half the traps in Alaska. Unfortunately at that time some people were enamored of traps. What I am now about to say is not politically partisan, because I realize that politics does not cut much figure with respect to Alaska. But the Democrats in the senate of the Territorial legislature voted for this memorial and the Republicans all voted against it, so it failed. Since then I have made representation to the Bureau of Fisheries, but after all I was only one man in the Territory of Alaska, and I was not listened to. Or if I was listened to, nothing was done along the line I suggested.

Mr. EDMONDS. Will the gentleman yield further?

Mr. DIMOND. I yield.

Mr. EDMONDS. Are there any dragnets used now?

Mr. DIMOND. There are seines used. You might call them dragnets. That is a term that is not used in the fishing industry.

Mr. EDMONDS. What is the term used?

Mr. DIMOND. There are purse seines, which simply surround a school of fish and scoop them all up. Then they use gillnets.

Mr. EDMONDS. A purse seine is the thing I meant. Do they use those now?

Mr. DIMOND. They use them in places; yes.

Mr. EDMONDS. Are they allowed to use them under the law?

Mr. DIMOND. Yes; in places.

Mr. EDMONDS. But that is not operated by steam?

Mr. DIMOND. No. That is not operated by steam.

The SPEAKER. The time of the Delegate from Alaska has again expired.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the gentleman may have 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

Mr. RANKIN. I will ask the Delegate from Alaska if he is satisfied with the administration of Mr. O'Malley?

Mr. DIMOND. No, I am not; to answer the gentleman.

Mr. RANKIN. I agree with the Delegate from Alaska on that also.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. DIMOND. Yes.

Mr. SIROVICH. Does the gentleman realize that in Bristol Bay for 6 weeks of every year during the months of July and August, as I understand, 35,000,000 red salmon come in, and that along the shores of Bristol Bay the land is owned by the canneries, that the California and Alaska packers have never permitted any other organization, group, or individual to own land there but monopolize completely, or at least to the extent of 70 percent, this great resource for themselves? It not this right?

Mr. DIMOND. To answer the gentleman I must say that I do not know.

Mr. SIROVICH. For the benefit of my friend I may tell him that this is the testimony given before the Committee on Merchant Marine, Radio, and Fisheries.

Mr. DIMOND. Yes. I have read very carefully, several times, the report of the hearings before this committee, and I wish to thank the gentleman for his position there in support of the Alaskan fishermen. But there are no fish-traps in Bristol Bay and this is a great help.

Mr. Speaker, it would not be fair to some of the packers of Alaska to say they are all trying to gouge, and get the most out of the people of Alaska. Some of them are really high-minded and want to be fair. Some of them even would be generous, if they could, but the trouble with this industry, as with many others, is that there are some people who will not play the game. There are some good canners there, too. [Applause.]

[Here the gavel fell.]

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. McCORMACK. Mr. Speaker, to understand the application of the Act of March 22, 1933, to the possessions of the United States it is necessary to refer, first, to the National Prohibition Act, and to the act supplemental thereto, approved November 23, 1921, known as the Willis-Campbell Act.

The first paragraph of section 20, title III, of the National Prohibition Act is as follows:

That it shall be unlawful to import or introduce into the Canal Zone, or to manufacture, sell, give away, dispose of, transport, or have in one's possession or under one's control within the Canal Zone any alcoholic, fermented, brewed, distilled, vinous, malt, or spirituous liquors, except for sacramental, scientific, pharmaceutical, industrial, or medicinal purposes, under regulations to be made by the President, and any such liquors within the Canal Zone in violation hereof shall be forfeited to the United States and seized: *Provided*, That this section shall not apply to liquor in transit through the Panama Canal or on the Panama Railroad.

It will be noted that this section does not fix any limitation as to the alcoholic contents of the beverages dealt with therein. By Executive order promulgated January 7, 1920, President Wilson adopted—section 2—the definition of section 1, title II, of the National Prohibition Act, including the one half of 1 percent limitation. The Willis-Campbell Act (see below) subsequently extended to the Canal Zone the National Prohibition Act, including, of course, the definition of intoxicating liquors in section 1, title II, thereof.

The National Prohibition Act was amended on November 23, 1921 (42 Stat. 222), this act being known as the Willis-Campbell Act. Section 3 thereof provided:

That this act and the National Prohibition Act shall apply not only to the United States but to all territory subject to its jurisdiction, including the Territory of Hawaii and the Virgin Islands; and jurisdiction is conferred on the courts of the Territory of Hawaii and the Virgin Islands to enforce this act and the National Prohibition Act in such Territory and islands.

The effect of this legislation is to extend the provisions of the National Prohibition Act, as amended and supplemented, to all the possessions of the United States, including Guam, Tutuila, and so forth, with the exception of the Philippine Islands. The Organization Act of the Philippine Islands provides in this regard (39 Stat. 547):

That the statutory laws of the United States hereafter enacted shall not apply to the Philippine Islands, except when they specifically so provide, or it is so provided in this act.

The act of March 22, 1933, provides in section 3 (a):

Nothing in the National Prohibition Act, as amended and supplemented, shall apply to any of the following, or to any act or failure to act in respect of any of the following, containing not more than 3.2 percent of alcohol by weight: Beer, ale, porter, wine, similar fermented malt or vinous liquor, or fruit juice; but the National Prohibition Act, as amended and supplemented, shall apply to any of the foregoing, or to any act or failure to act in respect of any of the foregoing, contained in bottles, casks, barrels, kegs, or other containers, not labeled and sealed as may be prescribed by regulations.

Section 4 (c) of the act of March 22, 1933, also provides for certain penalties for engaging in the manufacture for sale of beer, ale, porter, wine, similar fermented malt or vinous liquor, or fruit juice, without a permit or in violation of the terms of a permit; and section 4 (d) states:

This section shall have the same geographical application as the National Prohibition Act, as amended and supplemented.

It is apparent, therefore, that in all the possessions of the United States, with the exception of the Philippine Islands, the provisions of the National Prohibition Act relating to beer, ale, porter, wine, similar fermented malt or vinous liquor, or fruit juice, containing not more than 3.2 percent of alcohol by weight, are repealed, provided the containers thereof are labeled and sealed as required by regulations. This would seem to leave, in effect, the local laws of those possessions, if any, on this subject, with the exception of those made subject to a like limitation by section 3 (b) of the act of March 22, 1933, and subject to the further requirement of section 4 (b) (1) of that act as to the alcoholic limitation to be authorized by permit in accordance with the local laws.

In many of the possessions dealt with herein the internal revenue laws of the United States are not in force; consequently, in paragraph (a), section 1, of the act of March 22, 1933, the application of that section is confined to the States, the Territories of Alaska and Hawaii, and the District of Columbia. This leaves the matter of the imposition of the occupational and commodity taxes in such possessions to the local laws, if any, or to the enactment of laws on that subject.

Mr. MEAD. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, very happily for the people of this country, and by reason of the courageous leadership of our President and the cooperation given to him by the House and the Senate, confidence has been restored in our country. By the prompt passage of a program of legislation we have now begun to stimulate and resuscitate business in America. There is in my judgment a number of important matters still to be considered before business becomes normal again. The Post Office Department will have to change its system, revise its rates, and give to the people of this country that high standard of service which they enjoyed prior to the depression.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MEAD. Certainly.

Mr. RANKIN. Can the gentleman from New York inform the House whether anything has been done with reference to reducing first-class postage to 2 cents?

Mr. MEAD. I am glad the gentleman asked that question. On the very day this session convened I introduced a bill, H.R. 2, calling for a return to 2-cent postage, amending the Revenue Act of 1932 by restoring the former rate of postage. It was referred to the Committee on Ways and Means. The distinguished chairman of that committee has also presented a bill, H.R. 3753, which not only restores 2-cent postage but repeals the tax on bank checks and continues the gasoline tax for 1 year. It is a meritorious measure, and in my judgment cannot be reported to the House too quickly.

Right at this time, when we have restored confidence and begun again to build up the business of the country, the

Post Office Department can do a great service by increasing its facilities and decreasing its first-class rates.

Mr. PARSONS. Mr. Speaker, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. PARSONS. Is anything being done with reference to preparing a bill to raise rates on those classes of mail which are carried at a loss, so that they will be made to pay their way?

Mr. MEAD. Answering the gentleman from Illinois, I may say that we have a Cost Ascertainment Commission. This Commission, after investigation, arrives at what it believes to be a proper and reasonable cost for handling the various classes of mail. The method pursued by this Commission, of necessity, produces conclusions that are not always accurate. It is almost impossible to ascertain the accurate cost of carrying a letter from New York to San Francisco, considering all the changes and transfers that it may have to go through. It is equally difficult to levy an equal and just charge upon parcels carried by parcel post, which may be handled by a slower and less expensive method. At the best these figures are but estimates.

The Post Office Department, in my judgment, would suffer no deficit, there would be no loss, if we could continue the normal increased volume of business, which in some measure was diminished when we increased postage rates. What we should do is to reduce postage rates and increase postage volume. This would decrease measurably the cost of distributing mail and would enable us to handle each classification of mail at a lower figure than is now the case.

[Here the gavel fell.]

Mr. MEAD. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PARSONS. Will the gentleman yield for a brief question?

Mr. MEAD. Yes; I yield.

Mr. PARSONS. Does the gentleman believe that all classes of mail should pay their way?

Mr. MEAD. I certainly do; but before I would make any increases I would reduce the rates on mail in such classes as warrant a reduction, which would increase the volume and thereby increase the revenue.

Mr. ELLZEY of Mississippi. Is it not a fact that the revenue from the 3-cent postage rate is considerably less for the same period of time than from the former rate of 2 cents?

Mr. MEAD. I will say that the gentleman is right by about \$50,000,000. I believe we have suffered a loss of \$50,000,000 by raising the rate.

Mr. BLANCHARD. If the gentleman will permit, I should be pleased to have the gentleman state what those figures are.

Mr. MEAD. I will come to that in just a moment.

Mr. RAGON. If the gentleman will permit, let me interrupt just to get this straight, because someone is wrong about the matter. As I understood the gentleman from Mississippi, he asked if the amount of revenue derived from 3-cent postage is less than what was formerly derived from 2-cent postage, and I understood the gentleman to say that the gentleman from Mississippi was right by \$50,000,000.

Mr. MEAD. I will say to the gentleman that I estimate we have suffered a loss of at least \$50,000,000 by increasing the rate from 2 cents to 3 cents.

Mr. RAGON. I took this matter up, I may say to the gentleman, the other day with the Treasury Department, and they told me there that the postal receipts were greater this year than they were last year, and that if you took into consideration the reasonable loss in postal revenue that would be expected from the depression, then the fact that they had more revenue this year than they had the year before would indicate that the 3-cent postage rate is a paying one.

Mr. MEAD. Of course they are trying to defend the action taken a year ago.

Mr. RAGON. It strikes me, however, there is a great deal of force in what they say. The chairman of the Ways and Means Committee is trying to get the facts about this matter and so far we have been unable to find anyone who could tell us about the actual productivity of the 3-cent postal rate; but it seems to me that if they had more postal revenue this year than last year, this would indicate that the 3-cent postage rate has brought in more money.

Mr. MEAD. Let me develop the argument I was making a moment ago and I will show that, as a matter of fact, the figures for 1933 will indicate a reduction in revenue amounting to \$50,000,000.

In 1932 there were approximately 13,000,000,000 pieces of first-class mail matter handled by the Post Office Department, and from figures furnished by the department there will be about 8,000,000,000 pieces handled in 1933. This means a loss of 5,000,000,000 pieces of first-class mail and a loss of 5,000,000,000 pieces of first-class mail at the 2-cent rate is \$100,000,000; the revenues from all first-class mail in 1932 amounted to \$310,000,000. That was 9 percent less than in 1931. That was the normal decrease due to our economic situation. If the same normal reduction had occurred for 1933, due to the depression, the revenue would have been \$292,000,000. That is considering the normal drop resulting from the depression. However, figuring the 8,000,000,000 pieces of first-class mail, which include 1-cent postal cards, as well as 3-cent letters, at the full rate of 3 cents each the revenue will be but \$240,000,000, rather than \$292,000,000. So from these figures we find that the loss due to the increased postage rate is approximately \$52,000,000.

Mr. RANKIN. Will the gentleman yield?

Mr. MEAD. I shall be pleased to yield.

Mr. RANKIN. Is it not a fact that even at 2 cents the Government makes a profit on first-class mail and it is the only mail that the Government does make a profit on?

Mr. MEAD. It is the only mail, according to the Cost Ascertainment Commission, which shows a profit, and in the good business years it produced as much as \$75,000,000 in revenue.

[Here the gavel fell.]

Mr. MEAD. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN rose.

Mr. MEAD. If the gentleman will just withhold his question for a moment, I want to develop the argument I am trying to make a little further by explaining the attitude of the Postmaster General during the administration of President Grover Cleveland, when an economic depression set in to grip the Nation. Here is the position Mr. Bissell, the Postmaster General, took at that time. Contrast it, if you will, with the attitude taken by the last Postmaster General, who, from the very time he assumed office, advocated, even before the depression, an increase in first-class postage rates from 2 cents to 2½ cents. Here is the recommendation made by Postmaster General Bissell in 1893:

When adverse business conditions prevail, an ordinary business establishment may overcome them in part by economies of management and retrenchment of expenditure. Not so with the Post Office. It cannot and should not stop to consider little economies. Its duties and obligations to the public become at once intensified and enlarged. It must exert itself to the utmost to secure the best possible results in the way of celerity, accuracy, and security in the dispatch of mail and without sparing any reasonable expense in that behalf.

We reduced the number of employees in the department, curtailed the service, and increased the rates to the public, just the contrary to the action taken by Postmaster General Bissell. We increase the cost, diminishing the service, and add to the deficit.

Our committee made somewhat of an investigation of this subject; we addressed inquiries to many post offices in the United States. You would be surprised and amazed to know how the postage saving thought has gripped the country.

Every known device and scheme is attempted in order to divert mail from the post office. Systems have been instituted as the result of the increased cost that will take years to offset. It will be a long time before we can get some of this business into the Department again.

I have here the postal receipts from 50 industrial offices for February 1932. For February 1932 these offices show revenues of \$2,831,000; for February 1933, \$2,659,000. I have also a statement here from 50 selected cities, all different from the ones I have just given. In February 1932 the revenues from those offices were \$24,060,692.27. February 1933 it was \$22,559,000. These figures show a loss in the total gross revenues, even though we raised rates 50 percent.

Mr. HOEPEL. Will the gentleman yield?

Mr. MEAD. Yes.

Mr. HOEPEL. Will the gentleman explain how much revenue is lost per year by the free distribution of newspapers?

Mr. MEAD. I do not have those figures here.

Mr. PATMAN. I have it here, and I should like to give the information.

According to the annual report of the Post Office Department for 1932, the daily newspapers cost the Government \$36,409,577.82 more than they paid in postage; other newspapers and magazines cost \$40,000,000 more than they paid the Government; ocean mail contracts, \$21,666,103; aircraft, \$20,586,107; and parcel post (mail-order houses), \$33,000,000 more than the Government received from these services.

The gentleman from New York [Mr. MEAD] is rendering the country a great favor through his services as chairman of the Committee on the Post Office and Post Roads. The Members of the House of Representatives feel indebted to him.

Mr. MEAD. The figures presented by the gentleman from Texas are taken from the cost ascertainment report. They are the official figures of the Department. Unfortunately, the second-, third-, and fourth-class postage all contribute toward the postal deficit. The ocean and air mail subsidies also contribute to the postal deficit, but all of these services have been allowed to continue without change, while an increase has been placed on the first-class postage, an increase that taxes every home and individual in the country, and this class was the only one that was paying its way. For that reason I say it is unfair and unjust and should be repealed. [Applause.]

Mr. BLACK. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLACK. Mr. Speaker, the Hitler dictatorship fouls the senses of the civilized world. Religious persecution is the most violent form of fraud. Under the guise of religion, whose main relation is to the future, material harm is done in the present. Before mankind this country has erected itself a live and strong monument to toleration. Our State Department is well within the best American tradition to assert our disfavor to a government that has forgotten the equality of men under a God we all profess.

Mr. THOMASON of Texas. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. THOMASON of Texas. Mr. Speaker, ladies and gentlemen of the House, I wish first to read a resolution that was passed a few days ago by the unanimous vote of the Legislature of the State of Texas, which I think is self-explanatory:

Senate Concurrent Resolution 27

Whereas for some 14 years the War Department of the United States maintained Fort D. A. Russell, a military outpost of considerable importance, because of its strategic location as a protection for many miles of territory bordering the Republic of Mexico; and

Whereas the climate of the area in the Davis Mountains in which was located this historic fort is such as to provide all-year-

round facilities for the training of soldiers in the service of our country, who perform a duty the value of which is unlimited; and

Whereas with the beginning of this year, 1933, the said Fort D. A. Russell at Marfa, Tex., was abandoned and deserted by the War Department by transferring its personnel, which was composed of a Cavalry unit, to Kentucky, for the purpose of having it motorized; and

Whereas there now remain on the site of this fort sufficient equipment and buildings to reestablish to good effect the military post which for so long so ably protected from invasion by neighboring foreigners many miles of valuable property; and

Whereas since the 1st of January 1933 five raids of such magnitude as to create much fear and unrest among residents of the border section adjacent to Mexico have been made upon the property herewith enumerated: The Chinante Ranch, January 22; the Jake Baldwin Ranch, February 8; the Jack Rawls Ranch, February 25; the J. L. Sublett Ranch, March 2; and the L. C. Brite Ranch, March 3; all of which is confined within the bounds of Presidio County, which in territorial extent embodies an area comparable in size to the combined States of Rhode Island and Delaware; and

Whereas with the abandonment of Fort D. A. Russell the protecting buffer for huge distances along the Mexican border has been removed and hundreds of miles of territory are now without protection, and, as a direct result, this portion of Texas—the southwestern boundary of the United States—is in a state of considerable demoralization because of the absence of the influence exerted by a unit of the military sufficient in size to adequately protect the life and property of its citizens: Now, therefore, be it

Resolved by the Senate of the State of Texas (the house of representatives concurring), That the Honorable George H. Dern, Secretary of War, Washington, D.C., be petitioned to restore and to reestablish this most important military post at Marfa, Tex.; be it further

Resolved, That a copy of these resolutions be sent to the Honorable George H. Dern, Secretary of War, and the Honorable John Nance Garner, Vice President of the United States.

Mr. Speaker, our distinguished friend, the Delegate from Alaska [Mr. DIMOND], who I am sure impressed all of us with the fact that he is going to most ably represent that great Territory, referred to the size of the State of Texas. I represent in area the largest district in the United States. It may be news to some of you new Members, and those of you who have not traveled in Texas, that it is more than 1,000 miles by the meanderings of the river from El Paso, the city where I live, to Brownsville, at the mouth of the Rio Grande.

So that those of you who may not have heard me before upon this subject may know something about the history of this particular transaction, I might say about the War Department what the gentleman from New York [Mr. MEAD] so ably said the other day about the Post Office Department: No economy has been brought about, national defense has been weakened, and, in addition to that, a rank injustice has been done.

Mr. GOSS. Mr. Speaker, will the gentleman yield?

Mr. THOMASON of Texas. Yes.

Mr. GOSS. Was not that a Cavalry post?

Mr. THOMASON of Texas. Yes.

Mr. GOSS. Of course the gentleman is well acquainted with the attitude of the chairman of the subcommittee of the Appropriations Committee having in charge the War Department bill toward Cavalry. Is not that one of the reasons that fort was dispensed with?

Mr. THOMASON of Texas. Yes; I think so, and may I say that I am absolutely out of accord with that position.

Mr. GOSS. I am also.

Mr. THOMASON of Texas. I think a majority of the Members of the House are, as would be shown if the House could express itself on questions of legislation affecting national defense.

Mr. MARTIN of Oregon. Mr. Speaker, will the gentleman yield?

Mr. THOMASON of Texas. Yes.

Mr. MARTIN of Oregon. We had very serious discussions last year about the Army, about maintaining the size of the Army and about the morale of it, and yet all the Members from Texas did not support the Army as you and your friend from Texas [Mr. KLEBERG].

Mr. THOMASON of Texas. I am sure the distinguished general does not include me among those who were against the Army.

Mr. MARTIN of Oregon. No; and that does not include the gentleman sitting beside me [Mr. KLEBERG]. You both proved yourselves to be friends of adequate national defense.

Mr. THOMASON of Texas. I no more speak for all the members of my delegation than does the gentleman speak for all the Members from Oregon. May I say a word or two in order that some of you who may not be acquainted with the facts may know what this situation is? It will be recalled that a good many years ago the noted Pancho Villa, of Mexico, made a raid at Columbus, N.Mex., on our Army. While the Army was asleep in their tents, Villa succeeded in killing a good many American soldiers and citizens, burned the town, stole some Army horses, and escaped back into Mexico. General Pershing chased him a good ways into Mexico, but without success. As I have said before on the floor of this House, I think perhaps that is the blackest page in the history of our great Army. Nevertheless, following the raid, there were other raids along the Texas-Mexican border, and particularly what was known as "Brite ranch", in the Big Bend of Texas, and after the Columbus raid and the Brite-ranch raid and several minor raids the War Department of the United States voluntarily, without solicitation or request on the part of anybody, established a post at Marfa, Tex., and temporarily named it Camp Marfa.

May I say that section of the Texas-Mexico border is a rendezvous for a good many outlaws, both Americans and Mexicans? That post was established and a regiment of Cavalry sent there, but later, realizing the importance and the strategic location of that post, the War Department on December 11, 1928, by general order of the War Department, order No. 20, which appears of record, said:

Camp Marfa announced as a permanent military post and designated as Fort D. A. Russell. Under the provisions of 3 p. A.R. 170-10 the reservation now known as Camp Marfa, Marfa, Tex., is hereby announced as a permanent military post and will on and after January 1, 1930, be designated as Fort D. A. Russell, in honor of Brig. Gen. D. A. Russell, United States Volunteers, who was killed at the Battle of Winchester, September 19, 1864.

I cite that, my friends, so that you may know that by order of the War Department it was then and there made a permanent post of the United States Army. The little town of Marfa, relying upon the good faith of Uncle Sam, paved the roads and streets, built a fine, new, modern hotel, and extended water and sewer lines. After the post was established there was never another raid, never the slightest disturbance along that great stretch of the meandering Rio Grande, but, on the contrary, that regiment of Cavalry at Marfa was a stabilizing influence for friendship between the two countries. The nearest post west was more than 200 miles at El Paso. The nearest post east was about 300 miles.

The SPEAKER. The time of the gentleman from Texas [Mr. THOMASON] has expired.

Mr. THOMASON of Texas. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMASON of Texas. Through my relations as a public official in El Paso with the Mexican people, particularly in the city of Juarez and the city of Chihuahua, and to some extent in Mexico City, I found most of their officials to be high-class men who wanted to get along amicably with the people of this country. That post was established at Marfa in order that they might not only protect American lives and property but that they might also build up this spirit of international good will and friendship that ought to exist between the two nations.

Mr. KLEBERG. Will the gentleman yield?

Mr. THOMASON of Texas. I yield.

Mr. KLEBERG. The gentleman knows that refugees from law and order congregate when they go from this side to the Mexican side of the border, and vice versa, in Mexico those who try to escape the penalties due them there come to this side. The gentleman is aware of the fact that during the location of Fort D. A. Russell, properly equipped with

its Cavalry unit there, much was done to bring law and order to that great strip on the border between Brownsville and El Paso. Now, in that connection I wish the gentleman would give us the benefit of his experience. The gentleman comes from that district and lives there. I have been on the Brite ranch and the other ranches in that neighborhood. Just for the sake of clarifying the situation as to the relative efficiency of a motorized unit as compared with the same number of men on good horses, will the gentleman please give his opinion? How far would a motorized unit get in that territory?

Mr. THOMASON of Texas. A motorized unit in the Big Bend of Texas could not go 1 mile off the highway, and the highways are few and rough. Neither could an airplane land. It takes horses to chase and fight Mexican bandits who are on horses.

Mr. MANSFIELD. Motor trucks would be about as useful as a navy.

Mr. THOMASON of Texas. Not as good as a navy.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. THOMASON of Texas. I yield.

Mr. MARTIN of Oregon. Yet this House voted not for a single horse in the Army this year.

Mr. THOMASON of Texas. You and I voted for horses, but the majority did not.

Mr. MARTIN of Oregon. I am glad the gentleman is bringing out these things.

Mr. THOMASON of Texas. May I say to the gentleman from Oregon just how I feel about this? He is a retired major general of the United States Army and knows what an army ought to be. The Military Affairs Committee of the House, in my judgment, is one of the great legislative committees of this House, yet, as the gentleman from Oregon, Mr. MARTIN, and my colleague from Texas, Mr. KLEBERG, and also my other colleague, Judge MANSFIELD, said, in the last session of Congress you saw a certain amount of money taken away from one part of an appropriation bill and added to another, which, in effect, was legislation, for this reason: The House denied a single cent of appropriation to the Cavalry of the United States—that is, for the purchase of additional horses—yet in the very next paragraph of that bill the House appropriated \$435,000 for mechanization, in an effort by some Members of the House completely to mechanize the Army. I say that is a question of policy that involves national defense, and this House should have an opportunity to express itself as to whether or not it wants to do away with cavalry and mechanize the entire Army, when those of us on the Mexican border know that we must have cavalry in order to protect the border. My colleague, Mr. KLEBERG, is a successful rancher on the Mexican border and he knows conditions there. He is a friend of the Army, and I know he agrees with me when I say the removal of those troops was an outrage.

Mr. KLEBERG. Will the gentleman yield for another question?

Mr. THOMASON of Texas. I yield.

Mr. KLEBERG. The gentleman is aware of the fact that the equipment, the housing facilities, the barns, and so forth, at Marfa, Tex., were in good shape when they were abandoned; were they not?

Mr. THOMASON of Texas. Of course they were. There are 180 permanent buildings there, and yet in these days of economic stress they will all be junked unless this Congress stops it.

Mr. KLEBERG. And they represented considerable expense to our Government?

Mr. THOMASON of Texas. Yes; at least a million dollars.

Mr. KLEBERG. The gentleman will also note that that particular section is peculiarly adapted to the perfection of cavalry. It is the finest country on earth for horse raising.

Taking it for granted that cavalry is necessary, my friend will admit that if this country is to be served by this particular branch of national defense it could not be better located than it was at Fort D. A. Russell.

Mr. THOMASON of Texas. There is none better.

Mr. KLEBERG. How much money did it cost?

Mr. THOMASON of Texas. The Government has spent \$1,000,000, and owns 476 acres of land. The people of the town of Marfa will provide additional land if needed. They moved the troops out almost over night, and wrecked or severely injured nearly every business in the town. They were moved to Kentucky, where they were not needed, and at heavy cost. I suppose they are all riding around now in automobiles and shouting for technocracy. In my judgment, this machine age is largely responsible for our present troubles.

[Here the gavel fell.]

Mr. THOMASON of Texas. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER pro tempore (Mr. PATMAN). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HART. Mr. Speaker, will the gentleman find out from the gentleman from Connecticut or the gentleman from Oregon how many horses they now have in the Army and where they are?

Mr. THOMASON of Texas. The records of the Department will show where the horses are. I know there are not enough, to say nothing of the fact that the industry ought to be encouraged. Farmers and stockmen would be benefited.

Mr. HART. We should like to have this information from these gentlemen who have had so much experience with the Army.

Mr. THOMASON of Texas. I cannot give you the exact figures.

Mr. HART. The generals can.

Mr. THOMASON of Texas. The records of the War Department will show how many horses they now have.

As a part of the military policy of this country, hearings should be had before the House Committee on Military Affairs to determine what is best for national defense. If the Army needs cavalry, I do not see why the question of how much cavalry the Army is to have should be determined by the Committee on Appropriations. The units composing the Army as well as the location of permanent posts should be decided by Congress, acting on the recommendation of the Military Affairs Committees of the Senate and House.

Mr. BLANCHARD. Mr. Speaker, will the gentleman yield?

Mr. THOMASON of Texas. Certainly.

Mr. BLANCHARD. Does the gentleman charge the War Department or the Congress with this responsibility?

Mr. THOMASON of Texas. The War Department issued the order. It seems that Congress has not much to do with it. I had a resolution pending in this House, which had been referred to the Committee on Military Affairs and was pending when the removal order was made. All I want is just and fair treatment. I realize there are a lot of Army posts throughout the country that ought to be abandoned, but let the matter be determined by a fair and impartial hearing. In this instance the War Department, at an expense of about \$75,000, moved a regiment of Cavalry from the Mexican border, where it was needed, nearly 2,000 miles inland to Kentucky, where it was not needed.

Within the last 3 days I have read in the newspapers with regret that there are demonstrations in the city of Mexico against our distinguished Ambassador, Hon. Josephus Daniels, who is about to represent us in that country. We want peace and friendship, and one of the best ways to insure it is to preserve law and order along that thousand miles of wild border.

Mr. BLANCHARD. Is there any other place where this arm of our national defense is more needed?

Mr. THOMASON of Texas. No, indeed. If there is anywhere that soldiers are needed in time of peace it is upon the Mexican border. The law-abiding people of Mexico are our friends. Mexico patrols its side of the border. Mexican officials have told me they welcomed our Army along the border. Our Army officers at Fort D. A. Russell engaged frequently in polo games with the Mexican Army officers from Chihuahua. The finest feeling of friendship existed.

Mr. TERRELL. Mr. Speaker, will the gentleman yield?

Mr. THOMASON of Texas. I yield.

Mr. TERRELL. I have two questions to ask of the gentleman from Texas. How much would it cost to motorize this arm of the service; and, is there any place anywhere along the Mexican border that is more in need of this protection than that wild strip of country?

Mr. THOMASON of Texas. It would cost millions of dollars. We have had our raids. I have affidavits in my office stating what the conditions have been since the 1st day of January. I can verify every statement in that resolution passed by the Texas Legislature.

They have taken protection away from these people. It is not right to subject the American citizens living along the Mexican border to the dangers and hazards of outlaws from Mexico. We had our experience at Columbus. We had our experience at the Brite ranch. You cannot tell me that simply to please the whim and fancy of some man who thinks the Army ought to be on wheels the Cavalry should be abandoned. Great army experts the world over have testified to the value of cavalry. The horse has played a big part in every war throughout the centuries. Infantry, artillery, air forces, and motors are necessary, but cavalry is the only force that can operate over rough and wet ground where there are no hard-surfaced roads. Motorized equipment could not operate a mile off the road in the Big Bend of Texas. They are not built to chase bandits who are always on horses themselves.

And so, my friends, I hope as time wears along sentiment will develop in this House to the extent that the Secretary of War and those in charge of our military affairs will see to it that before drastic action of this kind is taken there will be a hearing in the matter and that justice will be done to all parties in interest as well as protection given to American lives and property along the Mexican border. [Applause.] I am not a prophet, but I predict that if soldiers are not returned to Fort D. A. Russell, conditions will grow worse along the Mexican border. I sincerely hope that no American lives will be lost, as happened in previous raids. The Texas Senators and Congressmen expect to ask our new Secretary of War to return those soldiers from Kentucky to Fort D. A. Russell, where they belong and where they are needed. Knowing him to be a just man I have faith that he will do it. I am sure that is the sentiment of the majority of this House, and I want to assure you of my appreciation for the interest you have manifested in the matter. [Applause.]

Mr. LEMKE. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes on the Frazier bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. LEMKE. Mr. Speaker, this Nation is in agony; it is hungry; millions are starving in the midst of plenty, in the midst of the so-called "surplus" of food, and yet for some strange reason the hungry cannot get any of this surplus. Unthinking people call it overproduction; reasoning and intelligent people know that the trouble is underconsumption. They know that the law of supply and demand still exists; they know that the supply is here and that the demand is here, but that for some reason the law of supply and demand does not function.

World depression, starving millions, corruption, and misgovernment are today threatening the very foundation of scores of governments, including our own, a situation which arrests our attention and challenges our ingenuity and patriotism. Surely the American people will arise to the occasion and analyze the causes that brought about this condition and then with a determination equivalent to a devotion set about to find a remedy.

What, then, is the cause of this catastrophe that has befallen all the governments since the war? It is caused by the monopolization, not of the wealth of the world but of the medium of exchange, the monopolization in the hands of a few financial monarchs of the money of the

world. This was brought about by a skillful manipulation of the currency of the various nations, by monopolistic tariffs, by gambling in stocks and bonds and the necessities of life, and by the ill-considered, revengeful, and ignorant reparation policy following the war.

In our own country it was brought about, first, by virtually doubling the money in circulation and then by a cruel, brutal, and inhuman deflation, by virtually cutting the money in circulation in two.

When we entered the World War our financiers had already bet on the wrong horse over in Europe to the extent of billions of dollars—they had given the Allied Governments credit for war materials, food, and clothing to that extent. President Wilson realized that in order to win the war, the Government—in other words, the people of this Nation—you men and women—would have to assume that indebtedness for which our financiers had given credit in the way of war materials, food, and clothing to the Allied Governments. That is how our foreign indebtedness arose. Our Government never loaned a dollar directly to the Allied Governments. It merely gave them credit, and the international bankers manipulated that credit in such a way that they got billions of dollars out of the \$22,000,000,000 of Liberty bonds we bought, and the United States Government, which means us, was substituted as the creditor of the Allied Governments in place of the international racketeers that had bet on the wrong horse. If these international gamblers had not bet on the wrong horse to that extent, this Government never would have gotten into the World War. It would have been over before we got started.

President Wilson knew that in order to win the war our Government would have to sell billions of dollars of bonds. He knew that there was not enough money in circulation among the people to enable them to buy these bonds, so he suggested to the heads of the Federal Reserve bank that they increase the money by issuing Federal Reserve notes and put them in circulation among the people.

Thereupon the local banks throughout this Nation took your note and my note and Tom, Dick, and Harry's note, stamped on the back of them "Payment guaranteed", put them in a nice bundle, sent them to a Federal Reserve bank, and received Federal Reserve notes, dollar for dollar, in exchange.

At the time we entered the war there was in circulation in the United States approximately \$4,000,000,000. It is estimated that 1 billion of this was in foreign nations, that another 500 million has been lost since the Government began to make money some 156 years ago, lost in the fields, destroyed in homes and buildings that have burned, leaving about 2½ billion dollars in actual circulation. This was increased during the war to approximately \$5,700,000,000. In round numbers, the increase or inflation was approximately \$2,000,000,000—the circulating medium, money actually in the United States, was more than doubled by the issuing of Federal Reserve notes.

With this additional money, with this extra \$2,000,000,000 as a revolving fund, we bought billions of dollars of Liberty bonds, bought new farms, new homes, and made countless improvements. There was plenty of money with which to measure the muscular and brain energy of our people. Prosperity was almost universal in this land of ours, and we had the highest standard of living of any nation.

But disaster was awaiting us. In 1920, while Woodrow Wilson was a sick man, the international bankers stole the Federal Reserve bank. Suddenly and without warning, the Federal Reserve bank began its deflation policy. It suddenly and without warning called upon your local bank, my local bank, and Tom, Dick, and Harry's local bank throughout this Nation to pay those notes they had guaranteed. It was at that time that your local bank was compelled to call upon Tom, Dick, and Harry to pay those notes it had guaranteed, and it was at that time that the prosperity of this Nation was wrecked.

It was at that time that the price of the farmer's wheat went down from 2 and 3 dollars a bushel to 80 cents;

it was at that time that the farmer's steers went down from \$125 apiece to \$25. By the end of 1921 the Federal Reserve bank had called in approximately a billion dollars of the Federal Reserve notes that it had issued in exchange for your note, my note, and Tom, Dick, and Harry's note.

The first industry to feel the effects of this deflation was American agriculture. The farmer, being unorganized, was the first to fall victim to the deflation. He was virtually slaughtered. He was made the shock absorber of deflation, and had he been able to carry the burden, the entire cost of the war would have been thrown upon his shoulders. But, as usual, greed knew no limit; the load it placed upon the farmer became intolerable, and he broke down under it.

Most of the farm indebtedness was created during the World War, during the period of inflation when there was plenty of money to measure the muscular and brain energy of our people, when everybody was at work, and when prices were high. Before the price-fixing act became effective, and prior to deflation, the farmers were getting as high as \$3.89 per bushel for No. 1 Dark Northern wheat in Minneapolis, and other agricultural products were selling accordingly. At that time a thousand bushels of wheat would have paid an indebtedness of \$3,890. Today 1,000,000, 2,000,000, or 3,000,000 bushels of wheat will not pay that same indebtedness, because the farmers are selling it far below the cost of production. What is true of wheat is true of practically all agricultural products. The selling price of practically all agricultural products since 1922 has been below the cost of production.

As a result, one may start from the Canadian line in the State of North Dakota and travel south to the Gulf of Mexico, crossing the States of North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, and Texas, and all along the line he will see deserted farm homes, broken fences, tumbled-down barns, unpainted houses in sad need of repairs—the very surroundings bespeak poverty and despair where once there was prosperity, hope, and plenty. He will learn of hundreds and thousands of mortgage foreclosures, past and pending. He will meet hundreds of thousands of fathers and mothers whose sons and daughters have gone into the already overcrowded cities. He will hear from their lips that before the period of deflation they were worth from \$25,000 to \$50,000, happy, prosperous, and contented, and now have either become tenants or are about to be evicted, with no place to go.

Such a condition affects not only the farmers but the Nation as a whole. It is a national calamity; it is a disgrace to the twentieth century and can only be explained by a complete breakdown—no; by a complete bankruptcy—of political and economical leadership. We have an overproduction of just one thing in the United States, and that is an overproduction, a superabundance, of ignorance on fundamental issues. We have heard of short selling, but one thing is sure—as a nation in this depression we are long on short thinking.

We have at our fingers' tips all that is necessary to bring about the greatest prosperity and happiness that this Nation has ever seen. We have too much to eat, so much that one half the farmers of this Nation have lost their homes and the other half are about to lose them in producing it. Again, we have so much raw material of every kind and description that we do not know what to do with it, and yet we have millions and millions and billions of human wants. There is hardly a man, woman, or child in this land that does not need some new clothing or other necessities, and then there are 15,000 men and women out of employment who are eager and willing to take this raw material and make it into finished products for us, and yet the great American engine is stalling.

Then what is the trouble in this Nation? The trouble is we have not enough money in actual circulation to measure the muscle and brain energy of our people, and we have done nothing in this Congress up to this time to remedy the situation.

Oh, yes; some of my friends have said we have just inflated the currency. Yes; we have just printed two billions

of paper money in addition to the four billions of Federal Reserve notes and given it to the banks of this Nation, but that is not inflation.

Mr. PATMAN. Will the gentleman yield for a question?

Mr. LEMKE. Certainly.

Mr. PATMAN. I presume the gentleman knows that the banks have refused to take this \$2,000,000,000 that was printed for them because they are required by the Government to pay one half of 1 percent annual tax on it; and since the banks have refused to take it and have only used \$9,000,000 of it, does not the gentleman think the Government should use this \$2,000,000,000 for another purpose that would put it in circulation all over the country?

Mr. LEMKE. It should, absolutely; and that brings me to the Frazier bill and the Patman bill that I am going to explain here if I get the time to do it.

Mr. McFADDEN. Will the gentleman yield?

Mr. LEMKE. Yes.

Mr. McFADDEN. In connection with what the gentleman has just stated, the gentleman is aware of the fact that the Federal Reserve retired over \$500,000,000 of Federal Reserve notes last week.

Mr. LEMKE. I am, and will state that all that we have had has been deflation. There can be no inflation unless the money is distributed among the people. If the Government printed \$100,000,000,000 and gave it to me, and I put it in my pocket and kept it there, there would be no inflation. If we want inflation, we must put the money—the medium of exchange—in the hands of the people so that they can use it and spend it.

I now come to the Frazier bill. I am told that during the last campaign, someone asked our friend Raskob what he thought of the Frazier bill, and he got very much excited and said, "Hell, I thought that bill was paid," but it has not been paid; it is yet to be paid. The Frazier farm relief bill provides that the United States Government shall refinance the existing farm indebtedness at 1½ percent interest and 1½ per cent principal on the amortization plan, not by issuing bonds, but by issuing Federal Reserve notes, secured by first mortgages on farms—the best security on earth—better than foreign bonds, and far better than the security put up for Federal Reserve notes by the international bankers and Wall Street, for whose benefit the Federal Reserve bank has been functioning ever since they kidnaped it. This bill asks the Government to do for the farmer what it is doing for the large banks, insurance, and railroad companies through the Reconstruction Finance Corporation.

When this bill becomes a law it will put from two to three billion dollars new money in circulation among the people; it will loosen the frozen assets; the unemployed will again be able to get work and eat; the price of agricultural products will go up; the starving of millions will end; business will again be general. Even at 1½ percent interest, if the Government will refinance the entire farm indebtedness, it will make a gross profit of over \$6,345,000,000 out of the transaction in 47 years.

Nineteen State legislatures have memorialized Congress requesting and demanding that it pass the Frazier bill without delay. They are Arizona, California, Colorado, Idaho, Iowa, Illinois, Indiana, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Wisconsin, Kansas, and South Carolina.

Give us the Frazier bill—the Patman bill, pay the soldiers their compensation in cash, not by issuing bonds, but by issuing full legal-tender Treasury notes—give us the Swank bill, guaranteeing the farmer the cost of production for that part of his products which is consumed or used within the United States—give us the Wheeler bill, remonetize silver. Give us these four bills, the Frazier bill, the Patman bill, the Swank bill, the Wheeler bill, and then we can go home and in less than 3 months you will not have to feed any starving people. There will be enough money in circulation, units of exchange to measure the muscular and brain energy of our people. We will have fulfilled our campaign and platform pledges, and we will have met the demands, the hopes, and

the aspirations of the people of this Nation—not only of the farmers but of all the men and women of this Nation—and unless we do this permit me to suggest that there will be a sad disappointment. The conditions are getting worse, not better. The time has come for intelligent action—the time has come for courage. Let us forget the bygone days of legislating for the bankers only and legislate for all the people of the United States of America.

I shall not take any more of your time. I thank you. [Applause.]

Mr. GOSS. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. Will the gentleman withhold that a moment?

Mr. GOSS. I withhold it, Mr. Speaker.

RESIGNATIONS

The SPEAKER laid before the House the following communication:

The Hon. HENRY T. RAINEY,
Speaker of the House of Representatives, Washington, D.C.
MY DEAR MR. SPEAKER: I have been advised by the Honorable R. L. DOUGHTON, chairman of the Committee on Ways and Means, that I have been designated a member of the Foreign Affairs Committee.

As this appointment necessitates my resigning from the Committees on Census, Education, Elections No. 1, and Roads, I hereby tender my resignation as a member of the last-named committees and respectfully ask that my resignations be accepted.

Sincerely yours,

MARTIN A. BRENNAN.

The resignation was accepted.

The SPEAKER also laid before the House the following communication:

Hon. HENRY T. RAINEY,
The Speaker House of Representatives, Washington, D.C.
MY DEAR MR. SPEAKER: Due to the enormous amount of work as chairman of the Committee on the District of Columbia, as well as my duties on the Labor Committee, I find it impossible to give the required time to the Committee on World War Legislation, which time I gave freely and with a great deal of pleasure and satisfaction during the past several years.

For this reason, as well as the fact that there are many new Members of Congress who are desirous of being named on this committee who could give their full time to this worthy cause, I regretfully tender my resignation, to take effect at once.

In tendering my resignation to you, I should like to express my appreciation of the treatment I have been accorded during my 8 years of service on the Committee on World War Legislation.

Very sincerely yours,

MARY T. NORTON.

The resignation was accepted.

The SPEAKER also laid before the House the following communication:

Hon. HENRY T. RAINEY,
Speaker House of Representatives, Washington, D.C.
MY DEAR MR. SPEAKER: I hereby resign from the Committee on Mines and Mining and the Committee on War Claims.

Very truly yours,

FRANK GILLESPIE.

The resignation was accepted.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H.J.Res. 121. To provide for the acceptance of sums donated for the construction of a swimming-exercise tank for the use of the President.

ADJOURNMENT

Mr. COOPER of Tennessee. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 12 minutes p.m.) the House, under its previous order, adjourned until Monday, April 3, 1933, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McREYNOLDS: Committee on Foreign Affairs. House Joint Resolution 93. Joint resolution to prohibit the

exportation of arms or munitions of war from the United States under certain conditions; without amendment (Rept. No. 22). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COOPER of Ohio: A bill (H.R. 4491) granting the consent of Congress to the Board of County Commissioners of Mahoning County, Ohio, to construct a free overhead viaduct across the Mahoning River at Struthers, Mahoning County, Ohio; to the Committee on Interstate and Foreign Commerce.

By Mr. SIROVICH: A bill (H.R. 4492) amending the Civil Service Retirement Act; to the Committee on the Civil Service.

By Mr. EDMONDS: A bill (H.R. 4493) to prevent discrimination against American ships and ports, and for other purposes; to the Committee on Ways and Means.

By Mr. BOILEAU: A bill (H.R. 4494) authorizing a per capita payment of \$100 to the members of the Menominee Tribe of Indians of Wisconsin from funds on deposit to their credit in the Treasury of the United States; to the Committee on Indian Affairs.

By Mr. HARLAN: A bill (H.R. 4495) to repeal, as obsolete, Revised Statutes 1132, as amended; to the Committee on Revision of the Laws.

By Mr. BURKE of California: A bill (H.R. 4496) to regulate commerce between the United States and foreign countries in crude petroleum and fuel oil and all distillates obtained from petroleum, including kerosene, benzene, naphtha, gasoline, paraffin, and paraffin oil; to the Committee on Ways and Means.

By Mr. BURNHAM: A bill (H.R. 4497) establishing a naval record for certain officers and enlisted men of the Naval Militia of California who performed active duty on the U.S.S. *Marion* or *Pinta* during the War with Spain; to the Committee on Naval Affairs.

By Mr. MEAD: A bill (H.R. 4498) to authorize the delivery of surplus forfeited vessels of the Treasury Department to the Boy Scouts of America for use in sea-scout training; to the Committee on the Judiciary.

By Mr. McLEOD: A bill (H.R. 4499) to confer additional jurisdiction on the United States Board of Tax Appeals, and for other purposes; to the Committee on Ways and Means.

By Mr. MOTT: A bill (H.R. 4500) to regulate the sale of securities in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. DOCKWEILER: A bill (H.R. 4501) to regulate commerce between the United States and foreign countries in crude petroleum and fuel oil and all distillates obtained from petroleum, including kerosene, benzene, naphtha, gasoline, paraffin, and paraffin oil; to the Committee on Ways and Means.

Also, a bill (H.R. 4502) to regulate commerce between the United States and foreign countries in crude petroleum and fuel oil and all distillates obtained from petroleum, including kerosene, benzene, naphtha, gasoline, paraffin, and paraffin oil; to the Committee on Ways and Means.

By Mr. DISNEY: A bill (H.R. 4503) to confer jurisdiction on the Court of Claims to hear and determine certain claims of the Pawnee Indians against the United States, and for other purposes; to the Committee on Indian Affairs.

By Mr. BUCHANAN: A bill (H.R. 4504) to enable the Secretary of Agriculture to assist in effecting voluntary reduction in farm mortgages and readjustment of farm-mortgage terms and conditions; to cooperate with the Governor of the Farm Credit Administration and other Government agencies in refinancing farm-mortgage indebtedness, delinquent interest, and tax payments; and to provide facilities for refinancing such indebtedness; and for other purposes; to the Committee on Banking and Currency.

By Mr. O'MALLEY: Joint resolution (H.J.Res. 137) relating to the creation of a joint committee for the investigation of the activities of mortgage, bond, debenture, shareholder, and insolvency committees, and to authorize the

Secretary of the Treasury to prescribe regulations for the liquidation of assets and the reorganization of enterprises through the reissuance of bonds, stocks, and notes on re-liquidated assets; to the Committee on Rules.

By Mr. McFADDEN: Concurrent resolution (H.Con.Res. 12) to make an audit of the Treasury Department; to the Committee on Rules.

Also, concurrent resolution (H.Con.Res. 13) to authorize expenses of House Concurrent Resolution 12, to make an audit of the Treasury Department; to the Committee on Accounts.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By Mr. GAVAGAN: Memorial of the Legislature of the State of New York, urging that the United States, through its Department of State, use its best efforts to persuade the German Government to desist against any further outrages and persecutions against Jews; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM: A bill (H.R. 4505) for the relief of the Washington Beef Co.; to the Committee on Claims.

By Mr. BURKE of California: A bill (H.R. 4506) granting an increase of pension to Eleanor Ady; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4507) for the relief of Bogustas De Kartowski; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4508) for the relief of Thomas Francis Burke; to the Committee on Naval Affairs.

Also, a bill (H.R. 4509) for the relief of George Henry Clayberger; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4510) granting a pension to Emma C. Relf; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4511) for the relief of Seymour H. Dotson, otherwise known as William Dodson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4512) granting a pension to Harry C. Spring; to the Committee on Invalid Pensions.

By Mr. BURNHAM: A bill (H.R. 4513) for the relief of George Bingham; to the Committee on Military Affairs.

Also, a bill (H.R. 4514) for the relief of Rossetta Laws; to the Committee on Military Affairs.

By Mr. CANNON of Wisconsin: A bill (H.R. 4515) for the relief of Peter Karampelis; to the Committee on Claims.

By Mr. COOPER of Ohio: A bill (H.R. 4516) for the relief of B. Edward Westwood; to the Committee on Claims.

By Mr. DISNEY: A bill (H.R. 4517) for the relief of Jim German; to the Committee on Military Affairs.

Also, a bill (H.R. 4518) for the relief of James C. Bearskin; to the Committee on Claims.

Also, a bill (H.R. 4519) for the relief of C. W. Moonery; to the Committee on Claims.

Also, a bill (H.R. 4520) for the relief of Walter P. Hagen; to the Committee on Military Affairs.

By Mr. FORD: A bill (H.R. 4521) for the relief of Edwin Senior; to the Committee on Military Affairs.

Also, a bill (H.R. 4522) for the relief of Arthur L. Hawtrey; to the Committee on Naval Affairs.

Also, a bill (H.R. 4523) for the relief of Sam B. Lewis; to the Committee on Military Affairs.

Also, a bill (H.R. 4524) for the relief of Carl Siele; to the Committee on Naval Affairs.

Also, a bill (H.R. 4525) for the relief of Bernard Gallagher; to the Committee on Military Affairs.

Also, a bill (H.R. 4526) for the relief of George F. Campbell; to the Committee on Military Affairs.

Also, a bill (H.R. 4527) granting a pension to Mary A. Thomas; to the Committee on Invalid Pensions.

By Mr. HASTINGS: A bill (H.R. 4528) for the relief of Cooper E. Davis; to the Committee on Claims.

By Mr. HENNEY: A bill (H.R. 4529) granting an increase of pension to Jennie C. Brewster; to the Committee on Invalid Pensions.

By Mr. HOEPEL: A bill (H.R. 4530) granting a pension to Ricketts J. Oder; to the Committee on Pensions.

By Mr. JONES: A bill (H.R. 4531) for the relief of Dan King; to the Committee on Military Affairs.

By Mr. KLEBERG: A bill (H.R. 4532) for the relief of William H. Little; to the Committee on Claims.

By Mr. LUCE: A bill (H.R. 4533) to reimburse D. W. Tanner for expense of purchasing an artificial limb; to the Committee on Claims.

By Mr. McCLINTIC: A bill (H.R. 4534) granting a pension to Charley W. Lanford; to the Committee on Pensions.

By Mr. McFADDEN: A bill (H.R. 4535) for the relief of Wilfred J. Drey; to the Committee on Claims.

By Mr. McLEOD: A bill (H.R. 4536) granting an increase of pension to Gustav F. Breiter; to the Committee on Pensions.

By Mr. PARKER of New York: A bill (H.R. 4537) for the relief of Ettie A. Shepard; to the Committee on Claims.

By Mr. RAMSPECK: A bill (H.R. 4538) authorizing and directing the Secretary of War to appoint Master Sgt. Elmer Edward Wilson a warrant officer of the Regular Army; to the Committee on Military Affairs.

Also, a bill (H.R. 4539) granting a pension to Lilla Tarpley Bright; to the Committee on Pensions.

Also, a bill (H.R. 4540) granting a pension to Berta Herbert; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4541) for the relief of George Dacas; to the Committee on Claims.

Also, a bill (H.R. 4542) for the relief of Frank Wilkins; to the Committee on Claims.

By Mr. SHALLENBERGER: A bill (H.R. 4543) granting an increase of pension to Julia A. Jones; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

251. By Mr. ANDREW of Massachusetts: Petition adopted by the Massachusetts Legislature, urging the enactment of appropriate legislation providing for the labeling of goods imported into the United States for sale therein, in such manner as to apprise the purchaser and consumer of the place of origin of such goods; to the Committee on Ways and Means.

252. By Mr. ARENS: Petition of Joseph Veilleux, North Como Improvement and Protective Association, North Chatsworth and Hoyt Streets, St. Paul, Minn., petitioning the Government to provide financial means of saving our homes from confiscation through foreclosure of mortgages; to the Committee on Banking and Currency.

253. Also, petition of Elmer F. Hillner, district commander, American Legion, Minneapolis, Minn., requesting that the President and Congress be respectfully asked to withhold passage of the said economy bill so that national committees of veterans' organizations shall have an opportunity to avail Congress of their advice and counsel in the preparation of a new bill; to the Committee on Ways and Means.

254. Also, petition of Gust Hallberg, Wheaton Cooperative Association, of Wheaton, Minn., favoring a law that will make tariff effective on farm products, condemning the action of packers, milling interests, and textile-mill operators for their efforts against the allotment plan; to the Committee on Ways and Means.

255. Also, petition of E. J. Harrell, secretary Central Council of District Clubs, St. Paul, Minn., concerning the remonetization of silver; to the Committee on Coinage, Weights, and Measures.

256. Also, petition of F. C. Marpe, commander, and certain members of the Leo Carey Post, No. 56, American Legion, of Albert Lea, Minn., opposing the construction of the post-office building in the city of Albert Lea, and requesting that the postmastership of Albert Lea be discontinued; to the Committee on the Post Office and Post Roads.

257. Also, petition of Albert E. Bickford, city clerk of the city of Virginia, county of St. Louis, State of Minnesota, and the mayor and city council of the city, speaking for citizens of the city, heartily endorsing and approving President Roosevelt's reforestation project, especially as it relates to the development of the Superior National Forest; to the Committee on Labor.

258. Also, petition of John Kobi, secretary, 208 South Sixty-second Avenue West, Duluth Minn., requesting Congress to investigate the war price of coal in the region of the Head of the Lakes; to the Committee on Interstate and Foreign Commerce.

259. By Mr. CARTER of Wyoming: Memorial of Local Union 1307, United Mine Workers of America, Elkol, Wyo.; to the Committee on Labor.

260. By Mr. CONNOLLY: Petition of renderers located in Philadelphia, Pa., and vicinity, praying for a duty of 5 cents per pound on all imports of animal, marine, and vegetable oils and fats and upon the oil content of imported raw materials from which such oils are processed in the United States; to the Committee on Ways and Means.

261. By Mr. FITZPATRICK: Petition of the Jewish citizens of Bronx County, protesting against the hostile and uncivilized policies, and to the general denunciation by all who hold human brotherhood sacred, of the occurrences recently affecting the Jews of Germany; to the Committee on Foreign Affairs.

262. By Mr. GAVAGAN: Petition of Dyckman Street Business Men's Association, urging that Congress do all in its power to assure fair and equal treatment of all persons insofar as the people of Germany are concerned; to the Committee on Foreign Affairs.

263. By Mr. HOLMES: Resolution of the members of the ward assembly, Worcester, Mass.; to the Committee on Interstate and Foreign Commerce.

264. By Mr. JOHNSON of Minnesota: Petition of the Duluth, Winnipeg, and Pacific System Federation, No. 148, Duluth, Minn., concerning the high price of coal at the Head of the Lakes region, unemployment insurance, tax-exempt securities (tax on), and revising the tariff law between the United States and Canada; to the Committee on Ways and Means.

265. Also, petition of E. J. Harrel, secretary the Central Council of District Clubs, St. Paul, Minn., concerning the remonetization of silver; to the Committee on Coinage, Weights, and Measures.

266. Also, petition of J. H. Biesiot, clerk, township of Potamo, Lake of the Woods County, Minn., opposing the settlement of the European debt and unloading of these debts upon American labor and farmers, abolition of privilege in finance, repeal of certain charters of certain national banks, and invoking of the Federal Constitution which provides for Congress to coin money and regulate the value thereof; to the Committee on Foreign Affairs.

267. Also, a resolution by the local club of the Socialist Party of America, Askov, Minn.; to the Committee on Foreign Affairs.

268. By Mr. LINDSAY: Petition of Robert Gair Co., Inc., New York City, urging the passage of House bills 3754 and 3755; to the Committee on Interstate and Foreign Commerce.

269. Also, petition of Society of Park Engineers of New York, Brooklyn, N.Y., urging support of Senate bill 5609, introduced by Senator WAGNER; to the Committee on Banking and Currency.

270. Also, petition of Amalgamated Paint Co., New York City, favoring the passage of House bill 235, the Shannon bill; to the Committee on Expenditures in the Executive Departments.

271. By Mr. REID of Illinois: A resolution adopted at a mass meeting held at Aurora, of citizens of Aurora, Joliet, and Elgin, Ill., protesting against reported abuses and discriminations shown against German Jewish citizens, and urging that the Government of the United States should exert its power and influence to discourage and prevent by all lawful means possible a further continuance of such cruel

and inhuman acts unjustly committed against the people of the Jewish faith now residing in Germany; to the Committee on Foreign Affairs.

272. By Mr. RUDD: Petition of Amalgamated Paint Co., New York City, opposing the manufacture of paint and varnish in Government-owned navy yards; to the Committee on Expenditures in the Executive Departments.

273. Also, petition of Robert Gair Co., Inc., New York City, favoring the passage of House bill 3754, providing for the repeal of section 15-A of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

274. By Mr. SUTPHIN: Petition of Tecumseh Tribe, No. 60, Improved Order of Red Men, Asbury Park, N.J., pledging whole-hearted support to our President, Franklin D. Roosevelt; to the Committee on Foreign Affairs.

275. By Mr. WILLFORD: Memorial of the Legislature of the State of Iowa, favoring the passage of Senate bill 1197, for the liquidating and refinancing of agricultural indebtedness and providing for a reduced rate of interest for the same through the Federal farm loan system and the Federal Reserve Bank System; to the Committee on Banking and Currency.

276. Also, memorial of the Legislature of the State of Iowa, requesting the Iowa Representatives in Congress to uphold the President of the United States in action proposed by him for the solution of this emergency, particularly with regard to those measures which may apply to or affect agriculture; to the Committee on Agriculture.

277. Also, memorial of the Legislature of the State of Iowa, favoring legislation tending to promote and develop the production of grain or ethyl alcohol to be used as a blend with petroleum products for motor-vehicle fuel, and then an import duty be placed on blackstrap molasses entering the United States, etc.; to the Committee on Ways and Means.

278. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, relating to the importance of maintaining and developing the work of the United States Forest Products Laboratory; to the Committee on Labor.

SENATE

FRIDAY, MARCH 31, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

BRONSON CUTTING, a Senator from the State of New Mexico, appeared in his seat today.

The VICE PRESIDENT. The Senate will receive a message from the President of the United States.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States, submitting several nominations, were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that on March 28, 1933, the President approved and signed the following acts:

- S. 148. An act for the relief of Agnes M. Angle;
- S. 149. An act for the relief of Daisy Anderson;
- S. 150. An act for the relief of W. H. Hendrickson; and
- S. 155. An act for the relief of A. Y. Martin.

CALL OF THE ROLL

Mr. LEWIS. Mr. President, I note the absence of a quorum, and I move a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Bulkley	Costigan	George
Ashurst	Bulow	Couzens	Gore
Austin	Byrd	Cutting	Hale
Bachman	Byrnes	Dickinson	Harrison
Bailey	Capper	Dieterich	Hatfield
Bankhead	Caraway	Dill	Hayden
Barbour	Carey	Duffy	Hebert
Barkley	Clark	Erickson	Johnson
Black	Connally	Fess	Kean
Bone	Coolidge	Fletcher	Kendrick
Borah	Copeland	Frazier	Keyes

King
La Follette
Lewis
Logan
Loneragan
Long
McAdoo
McCarran
McGill
McKellar

McNary
Murphy
Neely
Norris
Nye
Overton
Patterson
Pittman
Pope
Reynolds

Robinson, Ark.
Robinson, Ind.
Russell
Schall
Sheppard
Shipstead
Smith
Steiwer
Stephens
Thomas, Okla.

Thomas, Utah
Trammell
Tydings
Vandenberg
Van Nuys
Wagner
Walcott
Walsh
Wheeler
White

Mr. LEWIS. Mr. President, may I announce the necessary absence of the Senator from New Mexico [Mr. BRATTON] and of the Senator from New Hampshire [Mr. BROWN]. The announcement may stand for the day.

Mr. BYRD. I wish to announce that my colleague the senior Senator from Virginia [Mr. GLASS] is necessarily detained from the Senate.

Mr. HEBERT. I desire to announce that the junior Senator from Pennsylvania [Mr. DAVIS] is still detained from the Senate by illness.

I also wish to announce the necessary absence of the senior Senator from Pennsylvania [Mr. REED], the senior Senator from Vermont [Mr. DALE], the senior Senator from Delaware [Mr. HASTINGS], and the junior Senator from Delaware [Mr. TOWNSEND].

The VICE PRESIDENT. Eighty-four Senators having answered to their names, a quorum is present.

THE JOURNAL

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar days of Tuesday, Wednesday, and Thursday, March 28, 29, and 30, 1933.

The VICE PRESIDENT. Is there objection? The Chair hears none.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the Territory of Alaska, which was referred to the Committee on Finance:

Senate Joint Memorial 1 (by Mr. Walker)

IN THE LEGISLATURE OF THE TERRITORY OF ALASKA, ELEVENTH SESSION.

To the honorable the Congress of the United States:

Your memorialist, the Legislature of the Territory of Alaska, in regular session assembled, respectfully reports that—

Whereas the inhabitants of the coastal regions of southeastern and southwestern Alaska have heretofore derived their livelihood almost solely from the taking and selling of salmon and halibut and the manufacture of fish products; and

Whereas the inhabitants of this region are suffering from severe adverse economic conditions to such an extent that want and destitution are common; and

Whereas the care and sustenance of the destitute and needy inhabitants of said regions has and is placing a staggering burden on the Territory of Alaska, the municipal governments, and the property owners of said region; and

Whereas want and destitution are particularly prevalent among the native wards of the United States inhabiting said regions; and

Whereas this condition of want and suffering is traceable directly to the unstable condition of the salmon- and halibut-fishing industry in said region; and

Whereas said industry is practically paralyzed and unable to operate, thereby creating unemployment among those dependent upon it; and

Whereas the chaotic condition of said halibut and salmon industry has been created by the demoralization of its market by reason of the importation of halibut and salmon products from foreign countries, now off the gold standard and whose currencies are greatly depreciated on the foreign exchange; and

Whereas by reason of such depreciated currencies Japanese importers can sell pink salmon at greatly reduced prices on the American market and realize a substantial profit from their operation, due to the fact that the value of the American funds received in payment of their product is greatly enhanced in Japan because of the great depreciation of Japanese currency; and

Whereas producers of canned salmon in the Territory of Alaska by use of the most modern methods and by payment of a low and insufficient wage scale and an extremely low and insufficient price for the raw product, have been placing their product on the wholesale market at a price below the cost of production; which said price leaves no margin or profit, and in some instances results in a substantial operating deficit, even when fixed charges such as interest payments, depreciation, etc., are disregarded; and